Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE WEEK IN THE COMMUNITY

January 20 - January 26, 1969.

THE COMMON MARKET

No Progress Over Enlargement

The latest meeting of the EEC Foreigh Ministers in Brussels this week resulted largely in a restatement of known attitudes, although it would appear that the Commission and the Five may have taken a stronger line with regard to the status of any commercial arrangement with non-member European countries. Since December 10, the permanent representatives have been examining the technical aspects of the Debre Plan and the Brandt Plan for such arrangements, on which work is still incomplete, and last week the Commission submitted to the permanent representatives a working document setting out statistical data showing the scope of the various proposals.

Through this, the Commission leaves no one in doubt that it is unenthusiastic about the proposed arrangements and does not really favour such links with industrialised European states outside the Community. The document produced by the Commission calls once again for the start of negotiations for full membership and points out that the West German proposals are in general twice as generous as the suggestions contained in the Debre Plan. The former would result in 30% tariff cuts on industrial goods over three years in addition to those made under the Kennedy Round, with only a few exceptions, whilst the Debre Plan would involve a 30% cut over four years on a limited number of products. Although under the latter the volume of imports and exports affected ($ 2,400 & $ 2,380 million) by reciprocal concessions would be roughly equal, the amount by country would differ considerably. For instance $ 360 million of Swiss exports to the Community would benefit, whilst Switzerland would be expected to offer the EEC concessions of some $ 650 million. In the case of Britain some $ 989 million of her exports to the EEC and $ 450 million of imports would be affected by the French plan, whilst the figures under the German plan are $ 1,750 and $ 1,330 million respectively.

The document, which treats the European countries in three categories: 1) Britain, Norway, Denmark and Ireland 2) Sweden, Austria and Switzerland and 3) Portugal, Finland and Iceland, also tackles the question of agriculture, which France would like to see covered by a seperate agreement. There is little doubt in the Commission's mind that it would be very difficult to resolve the problems in this sector, especially when one bears in mind the reforms proposed in the Mansholt Plan. It is hard to see what the Community could offer Denmark, Switzerland or Norway, whilst the case of Britain is even more complicated. Considerable uncertainty must hang over any suggestion that she should accept an increase in her domestic prices by buying from other member countries, if no prospect of membership is held out.

When the Ministers came to discuss the proposals, the Five including

West Germany and the Commission all insisted that any links must conform with GATT rules, which would mean that the four candidate countries would eventually enter the Community. This was refuted by France, as was the suggestion that any arrangements should be limited to the candidates from the start. No major clash between the Ministers arose, and it was decided to refer the matter back to the permanent representatives who report again to the next Foreign Affairs Council.

The backing by West Germany for any commercial arrangement to comply with the GATT rules may be an indication of more support for British entry a fortnight before Mr. Wilson is due in Bonn for a three-day visit, as well as being aimed at warding off further criticism from the United States. A clearer idea of West German policy should emerge during the Ministerial meeting of the W.E.U. in Luxembourg next week. This is due to discuss an Italian paper based on the Harmel Plan for regular co-ordination and cooperation outside the framework of the EEC Treaty, and although backed by the Benelux countries, Britain and Italy it will have virtually no chance of success if West Germany does not back it. Chancellor Kiesinger, who has already criticised the idea of a new technological Community including Britain but outside the EEC, is due to visit Paris in March so Bonn may well give limited support to the Harmel Plan, but request a further examination of the problems raised. West German efforts to maintain good relations with Paris have been noted in the French press, despite the somewhat unfavourable public reaction in West Germany to French moves. These include the C.F.P. - Gelsenkircher affair, the decision to reduce the budget of the Franco-German Youth Office - of symbolic importance to both sides - the ban of arms for Israel, as well as the French government's approach to Europe. The implied criticism in France of West German monetary and economic policy, already a thorny problem, will not have been helped by the announcement this week, that in 1968 West Germany had a visible trade surplus in 1968 of £ 1, 900 million.

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AGRICULTURE

The First "Mansholt Summit"

On January 27 and 28, the foreign, agricultural and finance ministers of the Six met in Council for the first time to discuss Dr Sicco Mansholt's reform plan for EEC agriculture. That there would be clashes, nobody had any doubt, but how violent and how inhibitive to progress they may be we can now begin to judge. At this stage, one can discern two major rifts that threaten to occur: a) to what extent should the pricing policy side of the plan be divorced from the structural reforms, and b) to what extent should structural reform remain the province of member states?

The situation remains fairly open at the moment of course, and without exception the Six are hedging, demanding more clarification from the Commission as to the cost breakdown of the plan . Mansholt's rejoinder to this, in fact, is that valid estimates can only be furnished as the debate gets down to specific problems, and that any delay in getting direct action under way can only add to the cost.

Whilst the ministers in general are tending to reserve their more deeply-felt objections to certain specific parts of the plan, however, this first meeting nevertheless became fairly heated at times, since M. Debre, rather against the expectations of his colleagues, chose right from the outset to defend France's insistence on more reciprocation from her partners - in particular Germany - in the matter of farm support. The French maintain that the concessions they have made to other member countries in the industrial sector should be requited with better terms for their agriculture. Debre called for higher Community preferences as a means of stimulating internal EEC trade in this sector, and likewise broached the question of reducing produce imports, which he stressed still accounted for some 60% of Community consumption. The effect of this sort of approach, at the very first plenary Council meeting on the plan, was of course inflammatory, and Germany was not slow to riposte. Her State Secretary for Econonic Affairs, Herr Klaus von Dohnanyi pointed out that the Community's protective tariff on produce was 8% higher already, and the implication here seems to be that any further defence against food imports would so raise the cost of food as to set off a wage increases spiral, and lose not only his own country markets for industrial products that traditionally export food to Germany and others in return. This question of EEC protectionism in food markets was also raised last week in Strasbourg at the Council of Europe meeting by Mr. Adekke Boerma, director general of the U.N. Food & Agriculture Organisation, who called upon the Six to be more outward-looking in their produce market policies, and indeed deploring the fact that Mansholt's albeit "courageous" plan had been conceived in such a strictly community context. He called upon the Six to beware of taking measures likely to prejudice the interests of non-member countries, and warned of the trade distortions that these could induce.

Apart from France getting her word in over the question of the principle of farm finance, and what claims she felt she could justly make, however, she tended also to separate herself from the Five over the question of the two aspects of the Mansholt Plan, in that she seems to favour the retention of the link between pricing and structural policy, which Mansholt himself has claimed to be essential. On January 16, M. Boulin (see below), French agricultural minister in fact echoed Mansholt's words when he spoke of the unreasonableness of expecting farmers to accept the freezing of prices without offering them at the same time the hope of better conditions through reform. Nevertheless, there seems to be a growing current of opinion in France that this line cannot be followed much longer: there are those who believe it to be hypocritical to offer to farmers the long-term fruits of the Mansholt Plan as an inducement to accept price-freezes which in fact would have had to be imposed in the absence of any such plan. This brings us to the root of the French position, and perhaps explains M. Debre's line at the meeting: there is no avoiding the fact that, reform or no reform, market support costs are not likely to drop very much in the Community for some time yet, and agreement over the financing of the agricultural policy is essential. Costs in the long run cannot be reduced without structural reform, but this must not be over-stringent, and if it is not, then a more reasonable breakdown of support costs must be effected -

hence Debre's argument.

Further to this last point, i.e. the scope of reform, considerable light was shed on France's position on January 25, when M. Boulin was interviewed on French radio: more was said then than ever before about the country's attitude to the reform plan. In general terms, France favours the plan: it has both positive and negative aspects, but M. Boulin himself favours what he calls its "pessimistic diagnosis", because this implies that therapy is called for. What he objects to is the intended violence of the remedy, the fact that apparently there are gaps in its treatment of the problem and its carelessness over some of the social questions involved. As to its scope, he feels that too draconian a policy of slaughtering-out of dairy cattle and reduction of the farming area is dangerous. He also promised here that France would continue to support milk production for the time being because of the grave social consequences of doing otherwise. The biggest lacuna in the plan, he felt, was its sketchy treatment of the agriculture and food industries as such and its coverage of market organisations. On the social level again he pointed out the error in the report of basing the disappearance of 5 million farm workers over the next ten years on the fact that a similar number had left the land during that last ten: five million from fifteen million people is a very different thing to five from ten. Finally, he was sceptical about the plan's structural "panacea" - concentration in agriculture as in industry: the French peasant farmer, he said, had his way of life to cherish, and this was not a consideration to trample on.

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MONETARY PROBLEMS

More on Monetary Reform

Two influential Germans tackled the question of world monetary reform in speeches over the weekend. The first of these, Dr. Karl Blessing, President of the Bundesbank, spoke in sceptical terms of the various proposals that have been put forward, especially in West Germany, for a general realignment of leading world parities by a huge monetary conference. Such a "Bretton Woods", said Dr. Blessing in his speech in Oldenburg (Lower Saxony), would only lead to a vast spate of speculation. International monetary difficulties could only be profitably studied by "holding specific conferences between the interested countries with the least amount of publicity possible", even more so because if the outcome of such a conference were to be negative, the repercussions would be incalculable.

According to Dr. Blessing, there is need for a great deal of patience and skill in this matter; great things can only be achieved with small steps. The attitude of the new American administration will be of key importance. The recent measures taken in France, the United States and in Britain, and the fact that within the Community there has been a far greater coincidence of economic objectives, means that we at least are doing something to stop matters going from bad to worse."

In a speech given on Saturday night in Frankfurt, Herr Otmar Emminger, Director of the Bundesbank and colleague of Dr. Blessing, pronounced himself opposed to the idea of a grand world monetary conference, for what we now need, he said, was a period of absolute quiet. Such a conference would only create uncertainties and throw international trade and foreign exchange markets into upheaval without much prospect of practical achievement.

As regards the various proposals put forward for monetary reform, Dr. Emminger said, "I do not believe in multilateral readjustments of parities. That would not serve any real practical purpose, unless a broad measure of agreement is introduced into the monetary, fiscal and payments policies of the interested countries, so that they can work together towards a more satisfactory equilibrium". In fact as the British example had so eloquently shown, a change in parity is not the answer to all economic ills, as many people had thought in the past. This devaluation of over 14% had had a disappointing and delayed effect, but the Pound was beginning to rally so that there were now good prospects of balance of payments equilibrium on current account in the year to come.

On the positive side, Germany's reserves are now lower than they were a year ago and the foreign exchange position is now back to normal. In the two months since the Bonn monetary conference, German reserves have dropped by a total of Dm 11,000 million and Britain and France have been the chief recipient countries. It was a bit early to say what had been the precise effect of the German "ersatz revaluation", but it looks as if the tide has turned.

on price rises, there is nevertheless the distinct possibility that the whole economy will slip back again to the previous position." Moreover, "harmonious expansion within the Community implies a significant reduction in the current (negative or positive) balance of payments in the member countries." This would mean a swing one way for Germany and Italy, and the other way for France. "The improvements that are anticipated would mean that the actions already taken by the member countries should be aligned with the programmes under consideration and that they should eventually be adapted to the development of the economy."

M. Barre then went on to talk about his hopes for the Community economy in the year to come. First of all, as the world economy has proved to be less dynamic this year than had been expected, the member countries of the Community should take heed and expand home demand more rapidly in anticipation of an eventual slowing up of economic activity. But even in dismissing this hypothesis, "the maintenance of a rapid rate of expansion seems highly necessary." In this particular task West Germany has a special responsibility. M. Barre took great pains to make it clear that he thought the Federal Republic "should maintain a growth rate at least equal to that of the Community as a whole, that is to say 5%". Without such a vigorous increase, he continued, the problem of the German balance of payments surplus would remain acute and would raise new difficulties at both the Community and international level. Bonn should "make a contribution to the Community and to the rest of the world which is at least in proportion to its economic power".

In the Community as a whole, growth ought to result in an expansion of domestic demand adapted to the specific national situation in all cases. The control of domestic demand ought, according to M. Barre, to be the function of budgetary policy. Monetary policy on the other hand ought to be used in such a way so as to avoid a growth in interest rates within the Community.

Finally, it is essential, the vice-president went on, that in all the member countries salary increases should be kept within the limits of what is economically possible. In certain countries such as the Netherlands and to a greater extent in France vigilance has certainly been the watchword. In France "the way in which pay structure develops will have a crucial effect on the outcome of the economic gamble which the government is taking". "It would be both fallacious and dangerous, thinks M. Barre in this context, that people should start thinking in terms of a possible conflict between the needs of the monetary policy and the need for full employment of resources"..." In economic terms France has much at stake; if it can summon up sufficient unfailing resolution to achieve certain clear objectives, the worst will be over."

M. Barre concluded with an appeal for cooperation by the member countries, and also with a condemnation of needless cross-frontier movements of money. Nevertheless, he made no mention of his plan to create a Community monetary system. "The Community has reached a stage where all the progress achieved risks being undermined if the member countries are not in agreement on the priorities and major objectives of economic policy, whether in the short or the long term, and if they do not concert their efforts in a way which will bring the development of each member country closer together and towards common objectives. The member countries must develop some sort of cooperation in the monetary field so that everyday financial upsets will stop imperilling the balanced and continued growth of the Community. Is it not a sign of the times that the May-June crisis in France and the monetary upheaval of November, highlighted the risks which the customs union could run under such conditions." Remarking that the Community could also suffer from outside events which were beyond its control, and particularly by international monetary upheavals, M. Barre denounced such monetary "strategems" as floating exchange rates or the adoption of "crawling peg" changes in currency parities as disintegrative factors in international trade.

Another matter of importance which came up for discussion was the fate of Euratom and the four hundred or so scientists and administrators who are at present out of work due to the suspension of certain joint Community projects and have been threatened with redundancy. On December 13 a 4,000 signature petition was presented to the European Parliament by employees of the Communities demanding that something should be done about the development of European policies and particularly about Euratom. The petition specifically denounced the "abandonment of the joint scientific research effort" which was resulting in the gradual death of the European idea. On Thursday the European Parliament adopted a resolution that its president, M. Alain Poher, should pass on the petition to the Council of Ministers and to the Commission for their perusal. The Parliament obviously hopes that those with executive powers will implement procedures to ensure that "the obligations which derive from the Treaties should be respected, and that the instruments and the programmes of research which are the fundamental bases for the future construction of Europe should be preserved".

The next meeting of the European Parliament which is scheduled for March 10 in Strasbourg will see two important changes. M. Alain Poher who has been president of the European Parliament since 1965 and who is now President of the French Senate will no longer be in the chair. On the first day of the new session M. Poher's successor will be elected, and by a Parliament whose composition will have changed radically. For the first time Communist members will be sitting in the Parliament. Of the 142 members of the Assembly, the Italian delegation comprises 36 members, including seven members of the Italian Communist Party, one member of the Italian Socialist Party of Proletarian Unity and six members of the Italian Socialist Party. Up until now Communist parties in both France and Italy have been against the European idea and have thus declined to take part in any of the activities of the Community. In the past few years however there has been a softening in attitudes which has resulted in the Italian Parliament's decision to make its Strasbourg delegation mirror more closely the make-up of the Rome Parliament. This change in attitude has not however had its counterpart in France, where the national parliament continues to block any moves to put Communist representatives in the European Parliament. With the introduction of these new elements into the Parliament, the choice of a new president will be more of an open affair.

E.C.S.C.

Coal, Iron & Steel Production in 1968

The figures below are extracted from the EEC Commission's latest "Rapid Notes" on production in the three main sectors of the E.C.S.C:

Coal Production (millions of tons)

	1968	1967	Percentage Change	Average Change 1958 - 1967
Belgium	14.806	16.435	- 9.9	- 3.8
France	41.911	47.624	- 12.0	- 1.9
Germany	117.022	116.498	+ 0.4	- 2.4
Italy	0.375	0.410	- 8.5	- 3.8
Netherlands	6.864	8.265	-17.0	- 3.1
EEC TOTAL	180.978	189.233	- 4.4	- 2.5

Pig Iron Production (millions of tons)

	1968	1967	Percentage Change	Average Change 1958 - 1967
Belgium	10.446	8.994	+ 16.1	+ 5.6
France	16.428	15.692	+ 4.7	+ 3.1
Germany	30.304	27.366	+ 10.7	+ 3.7
Italy	7.842	7.312	+ 7.2	+14.8
Luxembourg	4.308	3.960	+ 8.8	+ 2.1
Netherlands	2.822	2.579	+ 9.4	+12.2
EEC TOTAL	72.150	65.902	+ 9.5	+ 4.7

Crude Steel Production (millions of tons)

	1968	1967	Percentage Change	Average Change 1958 - 1967
Belgium	11.567	9.712	+ 19.1	+ 5.5
France	20.404	19.658	+ 3.8	+ 3.3
Germany	41.156	36.744	+ 12.0	+ 3.8
Italy	16.959	15.890	+ 6.6	+10.5
Luxembourg	4.834	4.481	+ 7.9	+ 3.2
Netherlands	3.702	3.401	+ 8.9	+10.1
EEC TOTAL	98.622	89.885	+ 9.7	+ 5.0

The basic situation in the Coal and Steel Community of course remains the same: coal extraction continues in decline and the iron and steel sector remains healthy and expanding. Both these trends in the last year however, have tended to become more pronounced: the Commission is now heading towards the completion of the High Authority's rationalisation scheme for the coal sector, and pit closures have accelerated the decline in extracted coal tonnages. Likewise, the production target for crude steel this year is over the 100 million tons mark, and this is reflected in the 1968 total, there having been a drop in production of both pig iron and crude steel in 1966 (Pig Iron down to 61.7 million tons from 63.2 in 1965, and crude steel down to 85.1 million from 86 in 1965) before the upward trend was again noted in 1967.

The tables also show the changing pattern in individual member countries: whereas it was Belgium and Italy that registered the greatest decreases in coal production over the first ten years of the EEC (of 40% in all in either case), the latest trend shows that France and especially the Netherlands are now topping the list in this regard. Indeed, during the previous ten year period, coal production in France declined by only 18% altogether, from 52.4 million tons in 1958, but in the last twelve months alone the amount has fallen by no less than 5.7 million tons, or 12%. Again, in Germany the shrinkage of the coal extraction sector is now all but complete, as the table shows, after a dwindling of some 24% since 1958. The increase registered in the table is in fact offset when German coal extraction is taken in tons of coal equivalent. The Commission also offers figures for this, and in fact so expressed, gross coal production in the Federal Republic has remained virtually unchanged in the past year (1967 - 112.043 t.c.e.; 1968 - 112.012 t.c.e.). By the same token, coal production in the Six in the past year has declined by 4.8% in terms of coal-equivalent tons, as against the 4.4% revealed in ton-for-ton terms.

As with Germany and the running-down of the coal sector, it was Italy during the ten years up to 1967 that dominated the expansion trend in iron and steel - in percentage, if not gross figures. Of course, Italy had the furthest to go in this direction, hence the increase of 247% in gross tonnage of pig iron produced between 1958 and 1967. That Italy's plans for the iron and steel sector are now largely achieved, however, is borne out by the relatively modest increases shown in the last year (second to lowest in the Community in either case), although the degree of industrial unrest suffered by that country during this period does have considerable bearing on these results. Nevertheless, it is Belgium that now dominates the trend in Community iron and steel production, although Germany of course continues to be the mainstay, in terms of gross tonnage, of rising production in the Six.

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The latest monthly economic report by the Commission confirms that industrial production within the Community, especially in West Germany, continued to rise as a result of expanding domestic and export demand. In France the high level of production during October was maintained in November, with the need to rebuild stocks helping to stimulate output. In the Benelux countries, demand from the rest of the Community was one of the main features accounting for the upward trend in production. There was little change in Italy, with a fall in export demand offset by stronger domestic demand.

As a result of the general overall trend, unemployment is declining throughout most of the EEC, and firms are finding it more difficult to recruit necessary manpower. In West Germany and the Netherlands especially a shortage of manpower in certain trades and regions is affecting some firms. In France unemployment seems to be dropping, although Italy appears to have recorded a slight rise. Consumer prices in member countries have been under strong pressure for some time. In France a sharp rise is expected, although the government has instituted a tight control of consumer prices. Between October and November there was a substantial rise in the West German cost-of-living index, very largely the result of seasonal factors and poor harvests though rents and the price of services also rose. Apart from an increase in the Netherlands, there was little change in the other three states.

The visible trade surpluses of the Community with non-member countries have tended to fall back again during recent months. This was due both to a slackening in exports to both Britain and the United States, allied to a sharp increase in imports by most of the Six. West German trade surpluses showed little change, as did the Netherlands where an increase in imports was offset by an increase in foreign sales. In the Belgium-Luxembourg Economic Union, there was a rise in imports and a fall in exports to non-member countries. However the trade balance deteriorated in Italy through weakening exports and in France the trade deficit worsened for the slight rise in exports was insufficient to compensate for the sharp influx of imports.

Output in the metal imdustries throughout the Six has been boosted in past months by the overall situation, due to increased company investment and rising consumer demand.

The tendency for share prices to weaken, for a variety of reasons, became more noticeable in November as a result of the monetary crisis. In West Germany fears of a re-valuation of the mark played a part in this, whilst in France the announcement that the franc would not be devalued revived a flagging market. The acquisition of a State shareholding in Montecatini-Edison did not help the Italian market, neither did the non-achievement of the reforms to promote saving through shares. There was little change on the Brussels Bourse and a slight rise in the Netherlands during November.

The results of the business survey during October show that 25% were expecting in an increase in orders (exports 23%), 60% thought order books would remain unchanged (exports 55%) with 15% forecasting a decline in orders (exports 22%). The greatest number of those expecting further orders was in France (32%) with Italy (14%) bringing up the rear. Only 8% thought that there would be an increase in stocks, with 72% expecting no change (81% in Italy, 64% in France) 20% forecast a decline (27% in France to 8% in Italy). Turning to increases in production, 69% thought there would be no change (75% in West Germany) to 62% in Italy, whilst of those expecting a hike (25% overall) the figure was 20% in Italy with a high of 33% in France.

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DEVELOPING COUNTRIES

EEC Food Aid Programme Under Discussion

One of the items on the agenda of this week's meeting of the EEC foreign ministers is the fulfilment of the Community's obligations for 1968/69 under the International Food Aid Agreement concluded in Rome in August 1967 at the same time as the International Wheat Agreement. The Food aid programme, which was agreed in principle during the Kennedy Round negotiations some months earlier, provides for the distribution of 4.5 million tons of grain, 1.035 million tons from the EEC, to developing countries.

Though it has been generally agreed that part of the EEC tonnage will be delivered on a national basis and part on a community basis, the exact ratio still has to be settled. Certain member states, the Netherlands and especially West Germany, were against the EEC contribution being supplied wholly on a community basis. They were in favour of at least a part of the EEC contribution being allocated on a community basis with the rest being allocated by national governments bilaterally to privileged clients. Last July the Council of Ministers therefore allocated the 1.035 million tons and the cost among the six EEC countries as follows: France and West Germany 320,000 tons each, Italy 238,000 tons, the Netherlands 82,000 tons; Belgium 73,000 tons and Luxembourg 2,000 tons. Contributions to the food aid programme would still be made on a community basis if developing countries submitted their applications to the EEC itself, if several member states were interested in one and the same application and if several member states could supply the grain on more or less comparable terms, respecting the percentages of the EEC allocation. As reported later these criteria have already proved themselves impracticable since applications to hand well exceed the 1.035 million tons.

On December 10 the foreign ministers decided, in spite of the reserves expressed by West Germany, that whether the grain was supplied bilaterally or on a Community basis the conditions governing the purchases of the grain, such as in which regions the grain would be bought, from whom and at what price, would be settled on a community basis, i.e. by the appropriate management committee. The grain for the food aid programme would preferably be purchased in those regions of the Community where the need for support buying seemed imminent. Priority would also be given to intervention stocks if the grain in the national granaries was from earlier harvests or that from the new harvest represented 5 per cent of production. Otherwise grain would be bought on EEC markets.

The Council assisted by the committee of permanent representatives and the "ad hoc" working group formed for this purpose must now finalise the procedure for fulfilling the Community's obligations. Latest proposals are that member states will advise the tonnage as well as the beneficiaries they intend to supply on a bilateral basis. Agreement will then have to be reached on the balance, i.e. which countries will benefit from the Community's allocation. At the moment it is impossible to make any reliable forecasts as to the quantity to be distributed on a community basis. The general opinion is that this tonnage will not be more than 30 to 40 per cent of the total 1.035 million tons. Applications to the Community by developing countries already cover 2.025 m tons. This is made up as follows: India -500,000 tons, Pakistan - 300,000 tons, United Arab Republic - 175,000 tons, O.C.A.M. (Organisation commune africaine et malgache) - 150,000 tons. A number of developing countries have also made direct applications to national governments.

The Commission, supported by France, feels that as much commercial advantage should be drawn from the food aid programme as possible. This would mean that the beneficiaries would be those countries willing to buy grain from the EEC in addition to consignments under the food aid programme. Food aid would therefore be a premium for good customers. This method of tying aid consignments to commercial transactions has already been incorporated in a recent contract for 340,000 tons concluded between Egypt and France, whereby 90,000 tons (60,000 tons this season and 30,000 tons next season) would be supplied free.

As justification for this policy it is pointed out that other countries contributing to the food aid programme are following similar principles by giving priority to traditional clients or supplying countries with which they hope to develop commercial relations. Japan, pledged to give 225,000 tons or the equivalent in rice, fertilisers or agricultural machinery expects to supply the Middle East, Africa or Indonesia. Canada, committed to 500,000 tons is offering grain wherever there are hopes of new commercial clients, for example, her decision to supply Senegal. The Argentine will supply Chile, the UK the Commonwealth countries and the USA, where the food aid programme is linked with PL 480, India and Pakistan. It would seem that nearly everywhere the food aid programme is considered as an additional means of commercial penetration. Consequently, the Commission does not consider there is any valid reason why the EEC should adopt a different policy. This does not represent any change in the EEC attitude. The Commission has always been doubtful whether the developing countries should be given the grain unconditionally. Last summer both the Commission and the agricultural committee of the European Parliament proposed that recipients of food aid should transfer the equivalent of the consignment in their national currency to a fund which would be used to finance development projects in the interests of the country. Otherwise, the recipients would be less prepared to solve their food problems by developing their own agricultural production and food aid programme would have to be continued indefinitely.

In spite of this uncertainty the EEC agricultural ministers have already agreed on the first consignment to be made on a community basis. A delegation of representatives from the member states has been sent to negotiate with the Turkish government the terms under which the Community will supply 50,000 tons of soft wheat within the framework of the food aid programme. As mentioned earlier Turkey had applied for 400,000 tons because last year's extremely poor harvest had given rise to speculation and enhanced prices on the Turkish market. In addition American shipments had been delayed by dock strikes at east coast ports. The cost of this consignment (at the rate of the buying in price less the normal export refund) will be borne on the following percentage basis by the EEC countries: West Germany and France each 30 per cent, Italy 26 per cent, the Netherlands 8 per cent and Belgium 6 per cent. The agricultural ministers have stipulated that the Turkish authorities should either give the EEC wheat to the needy or transfer the proceeds from its sale to a fund to finance development projects.

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LABOUR

Market Study Commissioned for 1969

At the EEC Council of Ministers' meeting on January 17 unanimous agreement in principle was reached that a study of the Community's labour market should be carried out this year. As in other fields, however (e.g. the monthly survey of heads of enterprises), the Dutch are not willing to release their statistics in this field, and the validity of the study would obviously be much undermined by this fact.

The sampling plan for the study is given below:

	Number of Households	Percentage of Total
Belgium	93,000	3.0
France	60,000	0.3
Germany	210,000	1.0
Italy	85,000	0.6
Luxembourg	5,000	5.0

This breakdown shows that there is likely to be considerable debate as to the usefulness of the study. Not only will the Dutch abstention make any real comparison of the Six in this sphere impossible, but the unequal weighting of the sampling will tend to throw out of focus such facts as do emerge. Unless more thorough samplings are taken in France, or the stress on Belgium and Germany brought down to equate more with them, it is unlikely that the study will ever be put to real use. The Community budget for the year appropriates $ 780,000 to the study.

* * *

EURATOM

Enriched Uranium: Embarras de Choix

Last week the Community's nuclear research consultative committee, which has been asked by the Council to prepare a report on the feasibility of an independent uranium enrichment capacity in the EEC, met to discuss a draft report on the subject produced by a special study group. There was apparent consensus on the need for such facilities in the Community, but a major difficulty in this particular sector is bound to be the choice of process, there being three methods of uranium enrichment under laboratory development at this time.

As far as the need for independence is concerned, all the members of the committee agreed to retain in the final report for the ministers the conclusion offered in the draft that it would be worth additional expenditure on the part of the Community to produce its own enriched uranium at a price in excess of that offered by the Americans, which, as the French pointed out, looks like remaining for the time being at a ceiling of $ 30 per kilo unit of separation.

This agreed, however, we are faced with the choice of process, where the study group in fact offered precious little help, preferring to play safe and merely provide a technical and economic appraisal of the various methods - gaseous diffusion, ultra-fast gas centrifuge and injection process. This apolitical tendency in the report was criticised in particular by the Italians.

By evading the main issues of choice of process, however, the study group succeeded only in preventing itself from becoming the main target in the arguments that inevitably ensued. The discussion broke into three main camps in fact. The French maintained that the gaseous diffusion process was far more advanced in development, and was therefore a more realistic economic proposition, while the centrifuge being tried by the Dutch and Germans in cooperation with Britain was still a laboratory experiment, and no real comparison of the two processes was therefore possible. The other delegates in fact used precisely the same argument against France, in that there were still whole new technologies to be developed it was ever to be brought in as an industrial process. The Italians, on the other hand, tended to round on all present: not content with remonstrating with the study group for producing too technical a document, and aligning with the majority against the French point of view, this delegation then proceeded to criticise the Germans and Dutch for bringing a non-member state - Britain - into the ultra-centrifuge venture. At the same time, however, it did press for specific credits to be included in this year's budget for research work in uranium enrichment processes. The Commission will now consider the study group's finding and make its recommendations in due course to the Council.

* * *

COMECON:

Integration or Independence

The twenty-second meeting of Comecon, the Council for Mutual Economic Assistance, often described as Eastern Europe's counterpart to the European Community, opened in East Berlin on January 21. The organisation was established in Moscow on January 25, 1949, as a device for consolidating the Soviet sphere of influence. Today the countries belonging to Comecon, apart from the Soviet Union, include Bulgaria, Czechoslovakia, Hungary, East Germany, Poland, Rumania and the Mongolian People's Republic, whilst Yugoslavia, North Korea and North Vietnam, China and Cuba have observer status.

Although Comecon lay virtually dormant for a number of years, in the early sixties Mr. Khruschev, impressed by the moves towards integration in Western Europe, and especially the achievements of the Common Market, backed efforts by Comecon to introduce supranational planning. This would have been organised by a body with effective powers, whilst the individual member countries would specialise their production. This "international socialist division of labour" was opposed by Rumania, who feared that the efforts she was making to industrialise herself would be frustrated. Bucharest was backed in varying degrees by Hungary and Poland.

However the economic reforms introduced in Comecon countries resulted in further consideration being given to an improvement of the organisation, and following the Soviet invasion of Czechoslovakia last August a fresh stimulus on both political and economic grounds has been given to those who feel that Comecon should be updated and strengthened. Mr. Breshnev indicated this during his speech to the Fifth Congress of the Polish Communist Party last year. The situation is not as simple as it might seem for Rumania is opposed to supranational planning organisations, although willing to discuss closer cooperation. The arguments against the move towards supranationalism have been repeated in the Rumanian press during recent days. The coinciding of these articles with the meeting in East Berlin makes their purpose quite clear: they have denounced the "false virtues of integration" by taking up the criticisms of supranationality made in the West. The Rumanian attack on the Soviet Union for trying to impose "a capitalist integrational and monopolistic model on Socialist states" would seem to indicate that Bucharest is unwilling to change her external trade - now shared almost equally between the West and Comecon countries - for some intangible advantage. They suspect that a more closely-knit Comecon would, in practice, result in greater economic domination by the Soviet Union, and the chance of being able to keep the Rumanians within the Socialist camp to a greater degree than at present, cannot have escaped Moscow.

Poland has also become a supporter of integration and specialisation, since this would probably help her external trade. A refurbished Comecon might go some way towards stimulating her own industries, but would have the added political advantage of integrating the German Democratic Republic with the other states to such an extent that she would be unable to unite with West Germany, and would become a much better customer for Polish industrial products, instead of turning to the West. As the G.D.R. is now the tenth industrial power in the world, the fear of a reunited Germany affects Poland and Russia to a large degree, especially when they consider the success of West Germany's penetration of the Eastern European market. Mr. Kliszko, one of Mr. Gomulka's close assistants, recently said, "The policy aimed at isolating the G.D.R. from other socialist states can have two aspects: cutting off socialist states from the G.D.R. as well as cutting the G.D.R. off from socialist states."

The Hungarians also favour some form of supranationalism, although for different reasons from the Poles and Russians. A former Finance Minister, Mr. Rezso Nyers, who is now a Secretary of the Party's Central Committee, in a speech to the Political Academy in Budapest, called for the establishment of what amounts to an East Bloc Common Market, and the creation of a Comecon convertible currency. Mr. Nyers, who is one of the architects of the Hungarian economic reforms, introducing a "socialist market economy" criticised those who were afraid "of integration, of freer trade and economic encouragement" and said that new methods must be found to overcome "economies based on scarcity". He maintained that the establishment of such an organisation did not however mean that socialist states would isolate themselves from the capitalist markets, and stated that the trade deficits with capitalist countries, were probably an obstacle to increased trade.

The call by Mr. Nyers for a convertible currency for the Comecon bloc represents a view held in private and sometimes expressed in public by other governments in Eastern Europe, since it would help to stimulate trade between the member countries as well as with the rest of the world. But this question is also linked with the questions of prices and the way they are fixed in Eastern Europe, as the need to make them more realistic would be a major problem.

The conference in East Berlin did not reveal any major moves over monetary questions, but concentrated on discussing ways in which the different national plans could be co-ordinated and further trade between the member countries - a 28 % increase during the 1966-68 period - could be stimulated.

* * *

ASSOCIATION

At the end of last week, the Dutch government transmitted to the other members of the Six a memorandum on the Community's relations with Israel, which has twice asked to become an associate mamber of the EEC. The trading agreement which she had with the Six expired in 1967, and the Dutch memorandum, without mentioning "association" calls for the creation of an industrial customs union or free trade area between the EEC and Israel. It stresses that because of her situation she can do but little trade with her neighbours, and in any case 29% of her exports are already to the Community.

Political factors are involved in any moves since France is unwilling to consider association, whilst the Dutch government is unhappy over the progress being made towards links with other Mediterranean countries, including Morocco and Spain.. There are suggestions that the Netherlands might block links with Tunisia and Morocco if there is no progress on the Israeli question. The Moroccans are at present, after Spain, the world's largest exporter of citrus fruits (550,000 t.p.a.) and if the agreement goes through their exports of citrus fruit to the EEC will pay a 4% duty, compared with the existing 20% and the nil tariff to France.

Within the Community, Italy is the main producer of citrus fruit and has always fought to defend her position. Any Dutch moves against Morocco might receive her support, but this is complicated as citrus fruits are also one of Israel's main exports. Furthermore negotiations for a trading agreement leading to Spanish association of the Community, opposed by Italy because of her agriculture and by the Benelux countries on political grounds, are likely to run into further problems with the decision by the Spanish government to decree a "state of exception".

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EUROFLASH - HEADLINES

CONTENTS

ADVERTISING

** EUROPEAN DESIGN ASSOCIATES - E.D.A. SA, which was formed recently (see No 495) as a joint venture by the British advertising agency CATO, O'BRIEN ASSOCIATES, London, the American STUDIO ASSOCIATES INC, Cincinnati, Ohio, and the Belgian POINT DE VENTE PUBLICITE Sprl, Schaerbeek, whose manager, M. Marc van Migro, is its president, is to obtain complete EEC coverage by opening branches in Milan, Frankfurt and Paris.

AEROSPACE

** DEUTSCHE LUFTHANSA AG, Cologne (see No 490) has acquired a 40% stake in the Bremen used aircraft trading and broking concern TRAVELAIR GmbH (see No 445), by underwriting entirely the increase in its capital from Dm 2.11 to 3,52 million.

Travelair, which turns over more than Dm 40 million a year, has the following direct or indirect foreign subsidiaries: Travelair France Sarl, Paris (in conjunction with Service - Ste d'Etudes, de Representations & de Ventes a l'Interieur de la Communaute Europeenne SA, Paris); Travelair AG, Zug; Röthel AG, Zug; Jet-Air Flugdienst GmbH, Bremen etc.

AUTOMOBILES

** The Belgian motor coach and industrial vehicles concern VAN HOOL & FILS Sprl, Koningshooikt, Antwerp, which has had a sales subsidiary in France (which takes 70% of its exports) since October 1964 - Van Hool France Sarl, Bobigny, Seine-St-Denis - has now formed a second company under the name, VAN HOOL S.A.F. This has F 1 million capital, and with M. Alphonse Van Hool as president it will import new and used vehicles.

Van Hool is linked by a cooperation agreement with the Bedford division of the British manufacturer Vauxhall Motors Ltd, Luton, Beds (member of the General Motors Corp group of Detroit - see No 482), and is a buyer of Fiat engines. In June 1968 it formed a finance company named Transport Equipment Finance Co - Trafinco SA, Koningshooik (capital Bf 10 m.), in 30% association with its subsidiary in that town, Catrabel Sprl.

** An agreement has been made between the Belgian firm, F.E.A.C. SA, Aartselaar and the two Japanese firms, DAIHATSU KOGYO, Osaka (see No 474) and HINO MOTOR CO., Tokyo (see No 480) by which the former (whose capital will increase threefold with the Japanese participation) will acquire the European and African assembly rights for Hino and Daihatsu lorries, tractors and buses.

The two Osaka and Tokyo manufacturers both belong to the Toyota Motor Co. Ltd. (see No 474), which has been represented in Belgium up till now by an exclusive importer, International Motor Co. SA, Etterbeek-Brussels. Hino Motor also has its own subsidiary, Hino Belgium SA, Schaerbeek-Brussels which is controlled by another company within the group in the Netherlands, Automobiel Industrie Hino Nederland NV, Sloe-Flessingen (see No 363).

** Messrs. J. Hautain and J.M. Phillips have been nominated president and managing director respectively of the Belgian company, BRITISH LEYLAND GROUP SA, Anderlecht-Brussels (formerly Automobiles Industriels Brossel Freres, Bovy & Piper SA - see No 495), control of which has been gained by the BRITISH LEYLAND MOTOR CORP, LTD (see No 494), both directly and indirectly.

The Belgian company, which is about to be completely reorganised as part of the British company's Common Market rationalisation and investment plans, has as its direct shareholders, Leyland Triumph SA, Malines (48%) and the Leyland Motor Corp. Ltd., London (20%).

BUILDING AND CIVIL ENGINEERING.

** The LAFARGE ORGANISATION LTD (see No 428), London, a member of the Ciments Lafarge SA group of Paris (see No 494) through the portfolio company, Edinbane-Trust Reg. (which holds a 41.17% share in it), has bought up the remaining 20% of the equity which it lacked in CODE DESIGNS LTD, Sunbury-on-Thames, Middlesex, so that it now has absolute control of the company.

At the beginning of 1967 (see No 404) the Lafarge Organisation (formerly Lafarge Aluminous Cement Co. Ltd, the first to bear this name) bought for £225,000 the 80% control of Code Designs (hinges, hinge pins, window frames etc) and also at the same time gained control of another closely linked company, Durasteel Ltd, Greenford, Middlesex (panels, partitions, ceilings etc.)

** The merger between the two Dutch civil engineering firms, KONINKLIJKE MIJ. WEGENBOUW NV, Utrecht and TE SIEPE NV, Zwolle is to result in the formation of a new group with an annual turnover in the region of Fl 130 million and a payroll of some 2,000.

The first of these companies has a 50% interest in another firm in the same sector, Exploitatie Mij. Asfaltschip EMA NV, Zaltbommel, which with a capital of Fl 100,000 was formed at the end of 1967 in association (50%) with NV Aannemers - Wegenbouwmij v/h FA. J. Heijmans, 'S Hertogenbosch.

** A cooperation and association agreement has been reached in Paris between WEATHERALLS FRANCE SA, a subsidiary of the London group of surveyors, auctioneers and valuers WEATHERALLS GREEN & SMITH (see No 346) and the estate agents J. BOURDAIS & CIE. The two concerns have decided to operate under the joint name of BOURDAIS-WEATHERALLS.

With M.G. Benet as president, Weatheralls France was formed in 1966 by the London group which also has a Geneva branch.

** DANIEL CONSTRUCTION CO., Greenville, North Carolina, the American civil engineering concern, has closed down its German subsidiary, DANIEL CONSTRUCTION CO. INTERNATIONAL GmbH, Bonn (branch at Frankfurt). This firm was formed in July 1966 with a capital of Dm 100,000 (see No 375).

Within the Common Market the Greenville company is keeping the Brussels branch to its subsidiary, Daniel Construction Co. International, Wilmington, Delaware.

** The London group THE HAMMERSON PROPERTY & INVESTMENT TRUST LTD (see No 448) has backed and taken a direct 1 % stake in the formation of HAMMERSON BELGE SA, St-Josse-ten-Noode (capital Bf 100,000). This will manage a property in Brussels, and is 50 % controlled by QUADREX NOMINEES LTD, London, the founder's subsidiary with the remainder held by five of the latter's London affiliates: AMETHYST PROPERTIES LTD, J.V. HOLDINGS LTD, HAMMERSON GROUP MANAGEMENT LTD, TREESIDE PROPERTIES LTD (10% each) and INDUSTRIAL & COMMERCIAL DEVELOPMENTS LTD (9%).

In December 1967, the London group linked with NV Bank Voor Onroerende Zaken, Amsterdam to form jointly the property concern, Hammerson Bank Voor Onroerende Zaken NV, Amsterdam.

CHEMICALS

** B.A.S.F. - BADISCHE ANILIN- & SODA FABRIK AG, Ludwigshafen (see No 495) has joined 60-40 with the Turkish public holding company SUMMERBANK in setting up a plant at Gebze, Turkey, to produce chemical and plastic products for the leather, paper and textiles industries. The new works is due to come into operation in 1970: an investment of Dm 45 million is anticipated, and a company named B.A.S.F. SUMERBANK TURK KIMYA SANAYII A/S will be formed to run the operation.

** When the FARBENFABRIKEN BAYER AG, Leverkusen group (see Nos 492 and 495) recently took a 73% controlling stake in HERBOL-WERKE HERBIG-HAARHAUS AG, Cologne, a 25% stake was also acquired by B.A.S.F. -BADISCHE ANILIN & SODA-FABRIK AG. Ludwigshafen (see No 495). Herbol-Werke (1,400 employees - turnover Dm 110 m) makes lacquers, paints and varnishes.

** The Paris group STE GENERALE DE CONSTRUCTIONS ELECTRIQUES & MECANIQUES ALSTHOM SA (see No 481) has sold its 50% holding in ALTULOR SA, Paris, which specialises in the polymerisation of methacrylic resins (Perspex-type plastic, sold under the "Atuglas" trademark), to its partner UGILOR SA, Paris (see No 291), which thus takes 100% control.

Altulor (capital F 8.4 m - turnover about F 40 m.), which also plans to open a second plant at Fives-Lille, Nord, will now have M. J. Thepot as president - which position he also holds in Ugilor. The latter is itself a 50-50 joint interest of the public group Charbonnages de France - C.d.F. (through Houilleres du Bassin de Lorraine - see No 495) and Finalor Sarl, which is under the 55.67 - 33.3% control of the groups Ugine-Kuhlmann SA (see No 495) and Progil SA (of the Gillet group, through Pricel SA and Navis SA).

** The Dutch chemical and pharmaceutical group KON. ZOUT-ORGANON NV, Arnhem (see No 482) has embarked on negotiations in Germany to the end of taking over the lacquers and paints concern LESONAL-WERKE CHR. LECHLER & SOHN NACHF. LACK- & LACKFARBENFABRIK KG, Stuttgart-Feuerbach (see No 264), which is headed by LESONAL-BETEILIGUNGS GmbH.

Lesonal has Dm 16.1 million capital and employs some 900 personnel, having a subsidiary in Frankfurt named Ludwigs & Gerhards. It would add considerably to the Zout-Organon group's interests in this sector, where the latter is already established (through Sikkens-Groep NV) in such subsidiaries as Sikkens Lackfabriken GmbH, Emmerich (capital raised recently from Dm 3.6 to 5 m.) and Sanapol Werke GmbH, Bendorf, Rhineland) taken over late in 1967 from the German chemical and pharmaceutical concern Diwag Chemische Fabriken GmbH.

** DELTACHEMIE NV, Vlaardingen, and EUROFERT HOLLAND NV, Vlaardingen (see No 352) have joined in forming a company named FAR EAST FERTILIZER & CHEMICAL CO NV, Amsterdam (capital Fl 125,000) to sell chemical and agricultural products and minerals, mainly in the Far East.

Deltachemie is wholly-owned subsidiary of the fertilizers concern, ENCK - Eersts Nederlandse Cooperatieve Kunstmestfabriek, Vlaardingen (see No 330), which has a 50% stake in the second, wherein it is linked with Central Resources Corp, New York (see No 352).

** The Dutch company ULBRICH NV, Amsterdam has strengthened its position in the Benelux countries through the formation of ULBRICH NV, Forest-Brussels (capital Bf 100,000). This will trade in natural and synthetic rubber, plastic and chemical products.

** STE DES PRODUITS TENSIO-ACTIFS & DERIVES, TENSIA SA, Liege (the subsidiary of STE BELGE DE L'AZOTE & DES PRODUITS CHIMIQUES DU MARLY SA, Renoury-Ougree (see No 487) has backed the formation of the French sales company, STE TENSIA FRANCE SA, Saint-Cloud, Hauts-de-Seine (initial capital F 100,000 - president M.G.A. Berthe).

The founder (detergents and surface activants - capital Bf 92.75 m) is an affiliate of Carbochimique SA, Brussels (see No 446). It also has a stake in Laboratoires Labaz, Paris (formerly Ste Francaise des Laboratoires Labaz SA) the capital of which has recently been raised to F 7.27 million. In Britain it holds a share in Tensia-Greeff Ltd, in association with Greeff-Chemicals Holdings Ltd, London (see No 459). It is represented on the Italian market by a Milan subsidiary, Tensia Italiana SpA and in Spain and Switzerland by affiliated companies, Tensia Surfac SA, Barcelona and Tensochema AG, Zurich.

COSMETICS

** EVERSHARP INC., Millford, Connecticut (see No 494), the American shaving equipment, drugs, toiletry and cosmetic requisites firm, has rationalised its European interests and dissolved its French subsidiary, EVERSHARP Sarl, Ivry, Val-de-Marne (capital F 10,000); M. Guy Maclaren has been nominated liquidator.

The group is to maintain its other interests in the Six, Eversharp Belgium SA, Brussels, Krona Distribution Co. -Krona SA, Ixelles-Brussels, Eversharp Nederland NV, Amsterdam, manufacturing subsidiary which is the group's chief European source for razor baldes.

** In a move similar to that made recently with its Belgian agent COPAX SA, Brussels (see No 349), the American cosmetics and perfumes group MAX FACTOR & CO, Hollywood, California, has strengthened its links with its exclusive Dutch distributor MARFAC NV, Amsterdam (see No 349). The two have joined 60-40 (Marfac the minority) in forming a sales company named Max Factor Nederland NV (authorised capital Fl 850,000), directed by M. Marcel Mot.

ELECTRICAL ENGINEERING

** The six Dutch firms linked to form on an equal basis a company dealing in records, magnetic tapes, record-players and tape-recorders, PLAAT, HANDELMIJ. VOOR GRAMMOFOONPLAATEN NV (see No 438) have formed another company with similar aims called GRAMMOSERVICE DISTRIBUTIEMIJ VOOR GRAMMOFOONPLATEN, Haarlem (capital Fl 1 m).

The six founders are POLYDOR NEDERLAND NV, The Hague, the subsidiary of Deutsche Grammophon GmbH, Hamburg, itself controlled by Philips' Gloeilampenfabrieken NV, Eindhoven and Siemens AG, Munich; NV NEGRAM DELTA VERKOOP MIJ., Haarlem, the almost wholly-owned subsidiary of NV Ned. Grammofoonmij, Haarlem; NV VERKOOPMIJ. BOUMEA, Heemstede; NV GRAMMOFOONPLAATENMIJ C.N.R., The Hague; INTERNATIONALE ELECTRONISCHE MIJ INELCO-HOLLAND NV, and NV PHONOGRAM VERKOOPMIJ. VOOR GRAMMOFOONPLAATEN (all three from Amsterdam)

** L. SAUVAGEAU & CIE SA, Paris (president M. Georges Chabot - capital F 2.31 m) which makes welding equipment and accessories, has opened a branch in West Germany, at Haan.

** The FABRICA ESPANOLA MAGNETOS-SA, Madrid, the Spanish electrical automobile components firm (alternators, magnetos, regulators, starters etc) which has five factories in the country, has formed a subsidiary in Luxembourg, FEMSA-STE FINANCIERE & DE BREVETS SA (capital $ 1 m) to develop the company's international activities.

Under the direction of Sen. E.C. Poloni, the Spanish group has just been made a loan of $ 3 million by a group of banks led by the Bankers Trust Co. (Paris office), the Handelsfinanz AG, Zurich and the Banca per la Svizzera Italiana, Lugano. Since 1964 the company has had a subsidiary in Portugal, Femsa-Fabrica Electromecanica Srl, Guarda and has formed another in Chile, Soc. Femsa-Chile, Rancagua. It is also engaged in the manufacture of electrical accumulators (through its subsidiary Acumuladores Electricos SA, Cornella de Llobregat) and in 1965 it gained assets in this sector from C.A.S.E. of Hospitalet de Llobregat and Soc. Auto-Electricidad SA, Barcelona.

** The Berlin group, AEG-TELEFUNKEN (see No 495) has made over to its holding company, AEG-TELEFUNKEN INTERNATIONAL AG, Zurich (formerly AEG International AG) its holdings in 26 foreign companies and in doing so has increased its capital from Sf 45 to 50 million (October 1968) and then to Sf 78 million (January 1969). In 1968 the German group achieved a consolidated turnover of Dm 5,700 million, 30% from foreign business.

** The French company, TRANSFORMATEURS DE MESURE WALTER Sarl, Gentilly-Val-de-Marne has taken on the manufacturing and sales activities of STE D'APPLICATIONS ELECTRO-INDUSTRIELLES - S.A.E.E.I. SA, Bondy (capital F 58,000) and is to manufacture the company's prefabricated electric conduits (trade names "Dimatex" and "Dimaforce"), rising mains and unit counters.

With a capital of F 8 million, Mesure-Walter was formed in 1967 by the Cie des Compteurs SA, Paris (see No 487), directly and through the Cie de Construction Electrique SA, Issy-les-Moulineaux, Hauts-de-Seine and Finalec-Ste Financiere Auxiliaire de L'Electricite Sarl, Paris in association with Transormateurs de Mesure E. Walter SA (the first with this name), which made over its specialised transformer manufacturing activities. As a result of this move, the second of the parent companies changed its name to STE DES ANC. ETS. E. WALTER SA. It now holds a little more than 50% in Transformateurs de Mesure Walter Sarl, the second with this name, the balance being held by its affiliate, Cie des Compteurs.

** As part of the continued series of moves aimed at reorganising its structure, the Paris electronics company, THOMSON-C.S.F.SA (see No 496) has made over to its parent company THOMSON-HOUSTON-HOTCHKISS-BRANDT SA, Paris its controlling stakes in the radio and television manufacturers, CLARVILLE SA, Paris (formerly Eden Electronique, Montreuil-sous-Bois) and CELNI-SA-CONSTRUCTIONS ELECTRONIQUES SA, Tonnerre (see No 495).

Until now these were controlled by Thomson-C.S.F. in association with its subsidiary Ste Financiere Pour L'Electronique Sarl, Rocquencourt, Yvelines, and production facilities were at Tonnerre. As a result of the move, there will be another reshuffling of consumer durable production in the Thomson-Brandt group's plants.

** McDONALD ELECTRIC GmbH has just been formed at Laatzen, Hanover, with Dm 20,000 capital to sell electrical and electronic equipment. It is to be managed by Mr. Daniel McLean McDonald, Chairman of the British B.S.R. LTD, Old Hill, Staffs (see No 354), which already has a German subsidiary, formed in 1962 under the name B.S.R. (Germany) GmbH, later renamed B.S.R. GmbH, on the premises of which the new company will be sited.

The British parent firm makes record players and sound reproduction equipment ("Monarch" marque), and its other Common Market subsidiaries are BSR France SA, Paris, and BSR Italia SpA, Milan.

ELECTRONICS

** The Dutch manufacturer of medical, electronic and electro-chemical laboratory equipment VITATRON N.V., Dieren (see No 481) has formed its own French sales subsidiary called VITATRON FRANCE Sarl, Villejuif, Val-de-Marne (manager M. J.L. Robin - capital F 50,000). This will sell a wide range of its founder's products. Until now the Dutch company, which also has sales companies in other countries including West Germany, Vitatron GmbH, was represented in France by Paris Labo SA, a member of the Paris pharmaceutical group Laboratoires Toraude SA, Paris. This in turn is controlled by the American group Richardson Merrel Inc, Wilmington, Delaware (see No 489).

** CROSFIELD ELECTRONICS LTD, London (mainly industrial control and regulation equipment) has formed a West German sales subsidiary called CROSFIELD ELECTRONICS GmbH, Bad Homburg (capital Dm 20,000) whose managers are Messrs. John Crosfield, Kenneth Spencer and Robert Bradley.

The British company already has a European branch in Berne (moved from Zollikofen, Berne in November, 1968) and there is also an American subsidiary, Crosfield Electronics Inc.

** CALIFORNIA COMPUTER PRODUCTS INC, Anaheim, California (digital scanners and computer peripherals - see No 434) has extended its Common Market sales network by forming a Paris subsidiary called CALCOMP SA (authorised capital F 100,000 - 50% issued) a move which had been planned for some time (see No 411). The new company will sell and lease digital scanning devices, along with ancillary equipment and systems. Its directors are Mr. L. Kilpatrick (also president) and Mr. E. Beckman (both from Anaheim) and M. Gaubert, Asnieres.

The founder already has subsidiaries in Düsseldorf (Calcomp GmbH) and Amsterdam (Calcomp NV). In November 1968, under an agreement with Century Data Systems (development and production of memory systems for digital computers) it acquired an option for control of Century Data.

** A move which has been planned since the beginning of 1968 when the American company, DANA LABORATORIES INC., Irwine, California, broke off its representation agreement with RADIO-TELEVISION FRANCAISE A. NOE & CIE SA, Neuilly, Hauts-de-Seine has now come to fruition; a new subsidiary called DANA LABORATORIES Sarl, Meudon-Belleville, Deux-Sevres has been formed with a capital of F 20,000. With M.Robert Moulin as managing director and Mr. John F. Bishop as chairman, the new venture will trade in, install and provide after sales service for electronic measuring instruments.

Since May 1968, the parent company has had a subsidiary in West Germany called Dana Laboratories GmbH, Darmstadt (capital Dm 20,000), which has had the job of distributing the company's electric and electronic equipment in the country (numerical voltmeters, direct current boosters etc.).

** PHILIPS GLOEILAMPENFABRIEKEN NV, Eindhoven (see No 495), which until now has had a 40% stake in the electronic office equipment concern SIEMAG FEIN-MECHANISCHEWERKE GmbH, Eiserfeld (see No 495), with the other 60% held by SIEMAG - SIEGENER MASÇHINENBAU GmbH, Dahlbusch, has gained majority control through its holding company ALLDELPHI - ALLGEMEINE DEUTSCHE PHILIPS INDUSTRIE GmbH, Hamburg (see No 448).

The Eiserfeld concern, renamed PHILIPS ELECTROLOGICA GmbH, thus becomes integrated into the Dutch group's international network in the E.D.P. and accounting machines sector. This network is sustained mainly by Electrologica NV, Rijswijk; Procento NV, Amsterdam; Electrologica GmbH, Düsseldorf; Electrologica SA, Brussels; Logabax Ltd, London; Ernst Katzinger, Fachunternehmen für Moderne Bürotechnik AG, Vienna etc.

** A technical and sales cooperation agreement has been concluded between the French firm, L'ELECTRONIQUE APPLIQUEE SA, Montrouge, Hauts-de-Seine (see No 273) and the Yugoslav concern, ISKRA, Kranj-Ljubljana (see No 467) and is to give rise to the formation of a new company called, E.A.I. -ELECTRONIQUE APPLIQUEE-ISKRA, in which the French company will be the majority shareholder. The latter company is to be concerned primarily with the study of programmes and systems and is to enjoy technical assistance from the French partner, and manufacturing, technical and sales assets from the Yugoslav partner.

The agreement also gives the latter distribution rights for the Montrouge company's products (radio-telephone equipment, radio-telegraphy equipment and nuclear instrumentation especially) in a number of countries. As a counterpart to this, the French company will make available to the Yugoslav concern the services of its sales network in several countries.

** Continuing its structural rationalisation programme with the view of growing closer to CIE FRANCAISE THOMSON-HOUSTON HOTCHKISS-BRANDT SA, Paris (T-H H-B is to bring about a phased take over of the company - see No 495), ETS. CLARET Sarl, Colombes, Hauts-de-Seine (see No 487) has dissolved its subsidiary, ROYAL CORP. SA, Montrouge, Hauts-de-Seine (capital F 5.12 m).

A former subsidiary of the American group, Whirlpool Corp. of Benton Harbor, Michigan, the company came under its control at the beginning of 1967; it manufactured (see No 406) a range of refrigerators including the "Pontiac" models, but production has been in the hands of Claret for some time now.

ENGINEERING AND METAL

** The Dutch engineering and metal concern PRINS NV METAALVER-WERKENDE INDUSTRIE, Dokkum, plans to take over the machine-builder DOKKUMER MACHINEFABRIEK NV, Dokkum (presses, rolls etc - 100 on payroll).

Prins (capital Fl 5 m. - payroll 360) produces steel wheels and rims, prefabricated greenhouse modules, liquefied gas tanks and metal sections. Its main foreign interest is Protecnor SA, Paris (formerly at Chambery, Haute Savoie - capital F 50,000), which is an agent trading in equipment and installations for climate simulation crop culture.

** MANNESMANN AG, Düsseldorf, has, through Mannesmann Meer AG, Munchengladbach, taken a majority holding in MOELLER & NEUMANN GmbH, WALZ-WERKBAU, St Ingbert, Saar. This follows closely on its takeover of the materials-handling and warehouse installations concern Rudolf Geisel Maschinenfabrik KG (see No 494).

Moeller & Neumann specialises in plant for the steel industry (rolling mills etc), it has Dm 2 million capital, and was until now owned 50-50 by Herren Friedrich Moeller and Karl Neumann. It has several foreign subsidiaries: Moeller & Neumann (UK) Ltd formed in 1967 in London (see No 424); Moeller & Neumann France SA, Paris; La Technique Miniere SA, Choisy-le-Roi, Val-de-Marne; Moeller & Neumann - Bardella SA, Sao Paulo; Moeller & Neumann Argentina SA, Buenos Aires etc.

** The Italian engineering group NUOVO PIGNONE SpA, Florence (see No 490 - a member of the E.N.I.- ENTE NAZIONALE IDROCARBURI SpA, Rome group - see No 492) has formed a New York sales subsidiary called PIGNONE INC, which will cover all of North America. The new company will also help to strengthen the links between its founders and leading American groups. It has negotiated an agreement with GENERAL ELECTRIC CO, New York (see No 493), giving the latter the right to manufacture and sell in the United States and Canada the whole range of centrifugal, axial air and gas compressors made by its parent group. These will however be driven by the American group's own power units.

A similar agreement has linked Nuovo Pignone with the Japanese group Hitachi Ltd, Tokyo for some time (see No 462).

** A link-up has been agreed in Belgium between USINES & FONDERIES NESTOR MARTIN SA, Ganshoren (see No 461) - a sister company of USINES & FONDERIES ARTHUR MARTIN SA, Paris (see No 472) - and the COCKERILL-OUGREE-PROVIDENCE SA, Seraing group, which will cover the manufacture of central heating equipment. This will be managed by STE DE PARTICIPATIONS DEF SA (capital Bf 84 m), which will be based on the premises of the central heating manufacturer THOMAS DEFAWES "DEF" SA, Rocourt-lez-Liege. The latter has already been linked to Nestor Martin for some time past.

Nestor Martin is a 57% majority shareholder in the new company (along with its subsidiary FONDERIES NESTOR MARTIN SA, Ganshoren) and UFI -UNION FINANCIERE & INDUSTRIELLE LIEGEOISE SA, Liege (an investment company belonging to the STE GENERALE DE BELGIQUE SA, group - see No 446 - which has a direct interest along with its parent company in COCKERILL-OUGREE-PROVIDENCE).

** The Frankfurt holding company AKTIENGESELLSCHAFT FUR INDUSTRIE & VERKEHRSWESEN has taken a 25% stake in ORENSTEIN KOPPEL & LUBECKER MASCHINENBAU AG, Berlin and Dortmund (civil engineering equipment, materials handling equipment, diesel engines and transport plant). With a capital of Dm 25 million, this has just linked in Britain with National Carbonising Co, London (see No 495). It is under the 57.6% control of the Dortmund investment company Industriewerte AG, Dortmund (a member of the HOESCH AG, Dortmund group). The Frankfurt holding company (capital Dm 32.5 m) is a more than 25% affiliate of Allgemeine Lokalbahn- & Kraftwerke AG, Frankfurt (see No 428), which is in turn under the 60% control of Berliner Handelsgesellschaft, Berlin and Frankfurt (see No.493)

** The West German manufacturer of civil engineering equipment IBAG - INTERNATIONALE BAU-MASCHINENFABRIK AG, Neustadt, Weinstrasse (capital Dm 13 m - see No 266) which has been faced with difficulties during the past few months, is now under the 97% control of the American company MIDLAND ROSS CORP, Cleveland, Ohio (see No 485) and the West German steel firm KORF INDUSTRIE & HANDELS GmbH & Co, KG, Kehl (see No 475). It will provide a base for a link-up between its two new parent companies in a move to build a steel plant in Hamburg at a cost of Dm 50-60 million, as well as an iron ore enrichment plant in the Europort at Rotterdam.

KORF, which is headed by Herr Willy Korf, made over three of its engineering subsidiaries in 1968 to the Badische Stahlwerke AG, Kehl group (capital Dm 15 m - see No 475). Within the United States, it is a 62% majority shareholder in Georgetown Steel Corp, Georgetown, South Carolina, in association with Steelmet International Corp and Western Steel International Corp (see No 437). One of Midland Ross's most recent moves in West Germany was to take part in the formation in Düsseldorf of Stein-Surface GmbH. The direct founder of this company was Stein-Surface SA, Paris, a 75/25 joint subsidiary with the Paris company Stein & Roubaix SA.

** The French PECHINEY SA group (see No 492) after considering a site near Hamburg and another near Flushing in the Netherlands has finally decided to build a new aluminium smelting plant in the "De Floe" industrial zone near Flushing. This will be run by a subsidiary formed for the purpose and is expected to cost some F 600 million. The starting capacity of 75,000 t.p.a. will be doubled when the plant is completed in 1977, and it should give employment to 800 persons. The new smelter will supply a number of subsidiaries and affiliates including STE POUR L'INDUSTRIE DE L'ALUMINIUM-SIDAL SA, Brussels (see No 481), which has an aluminium wire-drawing and cable plant at Duffel (100,000 t.p.a. capacity) and RHENLAU SA, Paris (facilities at Neuf-Brisbach, Haut-Rhin - see No 408). In the Netherlands it will also supply the aluminium processing firms NEDERLANDSCHE ALUMINIUM MIJ NV, Utrecht (a 40% affiliate of the Canadian group, ALCAN ALUMINIUM LTD, Montreal) and HUNTER DOUGLAS v.o.f., Rotterdam (a partnership between Hunlas NV and Inland NV, and a member of the New York group, Hunter Douglas Inc - see No 451) with whom Pechiney is negotiating a 15 % stake towards the cost of the new smelter.

At the same time, the Australian company, QUEENSLAND ALUMINA LTD, Gladstone, Queensland (see No 411), a 20% affiliate of the French group, has recently brought into operation its expanded alumina production facilities (raised from 600,000 to 900,000 t.p.a.). Part of the cost of expanding the plant was financed by a 20 million Euro-dollar loan issued by Queensland Alumina Holdings NV, The Hague. The French firm's partners in the Australian firm are Kaiser Aluminum & Chemical Corp, Oakland, California (52%), Alcan Aluminium Ltd (20%), and Conzinc Rio-Tinto of Australia (Pty) Ltd, Melbourne (8%) a subsidiary of the London group, the Rio Tinto Zinz Corp Ltd.

** The French manufacturer of fire fighting equipment CIE CENTRALE SICLI SA, Paris (see No 405) has formed a Geneva holding company called INTERSICLI SA (capital Sf 50,000). The founder (capital F 11.3 m) already has a number of foreign subsidiaries, Sicli SA, Brussels; Sicli Löschgeräte GmbH, Cologne; Sicli SA, Geneva.

** The manufacturer of heating equipment and water heaters HEIZBAU GmbH GEBR. REUSCH & CO KG, Hoffnungsthal, Cologne has backed the formation in Paris of CENTRALGAZ SA, (authorised capital F 300,000). With M. E. Ferlet as director, this will have as minority shareholders Herren H. Reusch, K.H. Korbmacher and G. Standkey, whilst it will be controlled by the Swiss holding company RUNTALUX SA, Glarus (capital Sf 200,000).

The latter has two sister companies based in the same premises, Runtaltherm SA (capital Sf 300,000) and Runtal Holdings Co SA (capital Sf 230,000). The West German concern (capital Dm 1.5 m) is a family firm and employs some 300 persons.

** Mr. Vincent Duque, director of TRANE BELGIQUE SA, Auderghem, Brussels, is vice president of AG FUR DEN VERTRIEB VON HEIZUNGS- KLIMA-, KUHLUNGSLUFTUNGS & WARMEAUSTAUSCHEINRICH- TUNGEN. This has just been formed in Glarus with a capital of Sf 50,000. The Belgian company belongs to the American air conditioning and sound proofing group Trane Co, La Crosse, Wisconsin (see No 486).

** The West German company RHEINSTAHL HENSCHEL AG, Kassel (a subsidiary of the Essen group RHEINISCHE STAHLWERKE - see No 496) has rationalised its Belgian interests through HENSCHEL ENGINEERING N.V., Wilrijk and thus strengthened STAEPELAERE N.V., Wilrijk. After taking over BELTRIMA-BELGISCHE TRIPLEXMIJ N.V. Wilrijk, this has raised its capital from Bf 33.75 to 35 million.

The Essen group recently formed in Antwerp a company called Hanomag-Henschel Fahrzeugwerke GmbH (initial capital Dm 400,000). This is jointly owned with the Daimler-Benz AG, Stuttgart-Untertürckheim group and forms part of the moves towards cooperation in the heavy vehicles sector between its two founders. It will take over factories at Bremen, Hamburg and Kassel belonging to Rheinstahl Henschel and Rheinstahl Hanomag AG, Hannover-Linden, subsidiaries of the Essen group.

** Mr. Dieter K.W. Huhn, who runs the Stockholm firm making watertight joints and seals, GUSTAV HUHN A/B, is the new 90% owner of HUHN SEAL SERVICE N.V., Zandvoort (authorised capital Fl 50,000 - 20% issued). The remaining 10% is held by Mr. Martinus Bijlsma, Ameide, who has been appointed director of the new concern. This will trade in repair and maintain watertight joints and other machinery accessories.

The Swedish firm is represented in Switzerland by HUHN DICHTUNGEN GmbH, which is backed by Swiss capital. Its managers are M. Max Ringger, the main shareholder, and Mr. Felix A. Huhn, Djursholm, Sweden.

** The Dutch company ALGEMENE GALVANISEER INDUSTRIE (A.G.I.) N.V. (metal and plastic galvanisation) has formed in Belgium A.G.I. -BELGIE N.V., Bornem (capital Bf 750,000) to carry out surface treatment operations for metal and plastic. The founder has a direct 50% control with the remainder held by its subsidiaries N.V. ALGEMENE GALVANISEER INDUSTRIE BRABANT (A.G.I.D.), Amsterdam and Tilburg (45%) and ADMINISTRATIE MIJ J.J. DE BOER N.V., Amsterdam. Headed by Mr. Jitre J. de Boer, the founder has another subsidiary at Weerenveen, Algemene Galvaniseerindustrie Weerenveen N.V.

** A cooperation agreement which has been concluded in the transport and materials handling sector between the HEWITT ROBINS INC, Stanford, Connecticut division of LITTON INDUSTRIES INC, Beverly Hills, California (see No 494) and WERF CONRAD & STORK HIJSCH NV, Hangelo (see No 432), a subsidiary of V.M.F. - VERENIGDE MACHINEFABRIEKEN NV, The Hague (see No 488), is to result in the formation of a joint 50-50 subsidiary in the Netherlands, INTERNATIONAL HANDLING NV.

This new firm will head the following companies: 1) Holland Handling Engineering NV, Amsterdam, a subsidiary of the second-named firm and a specialist in materials handling and trans-shipment equipment; 2) Hewitt-Robbins Holland NV, Amsterdam, a subsidiary of the first-named and an engineering consultancy firm which is ultimately to be integrated into the former company; 3) Hewitt-Robins Europa NV, Amsterdam, a sales company for industrial materials handling equipment which has sister companies with the same name in Paris, Milan and Frankfurt; 4) Maschinefabriek Voorwaarts NV, Amsterdam which specialises in vibrating machines and equipment. The latter two companies are controlled 50-50 by the American group and the Dutch engineering and shipbuilding concern, W.F.B.-Wilton-Fijenoord-Brunswick NV, Schiedam, which in July 1968 (see No 466) passed under the joint control of V.M.F. and Rijn-Schelde Machinefabrieken & Scheepswerven NV, Rotterdam.

** Canadian interests represented by Messrs Joseph Kladich, Don Mills, Ontario, William Smith and John Smith, Toronto, Ontario, have backed the formation in Amsterdam of BENCHMARK TOOL INDUSTRIES N.V. (authorised capital Fl 10,000). With Mr. Henk van den Heuvel, Haarlem, as president, this will trade in machinery, accessories and spare parts and also handle patents and "know-how" deals.

** The Belgian company L.V.D. CO Sprl, Gullegem (see No 393), which makes die stamping, sheet metal cutting equipment has formed a French sales company called L.V.D. FRANCE Sarl, La Courveuve, Seine-St-Denis (capital F 20,000). Managers of the new concern are MM J. Lefebvre, M. Vannests and R. Dewulf, who runs the founder. The Belgian company has facilities at its headquarters at Morlanwelz (heavy presses) and Brussels (cutting and small pressing equipment of its "Thomas" Division). It is also a licensee of the American firm McKay Machine Co, Youngstown, Ohio, and controls a subsidiary which was formed in 1967 to manage its foreign interests, where its principal licensees are L.V.D. GmbH, Krefeld, and L.V.D. Hudson, Leicester, and Luton.

** The American company JEFFREY GALLION INC, Colombus, Ohio (formed in 1961 when Gallion Iron Works & Manufacturing Co, Colombus, Ohio took over Jeffrey Manufacturing Co) has opened a Brussels office and appointed CIE DECAUVILLE DE MATERIELS INDUSTRIELS SA, Brussels as its representative for the sale in Europe, the Near East, the Middle East and North Africa of its civil engineering equipment. This includes compressors, cranes etc.

Cie Decauville is the subsidiary of Decauville SA, Paris (see No 356), a member of the De Wendel & Cie SA group (see No 480) through Les Petits Fils de Francois de Wendel & Cie Sca (see No 348).

** Having consolidated its position in the Common Market by acquiring control of its Paris representative, S.A.D.M.M. - STE D'AGENCEMENT DE MAGASINS MODERNES SA (see No 494), which it has renamed TOMADO FRANCE SA (capital F 10,000), the Dutch ironmongery and steel wire domestic goods concern, TOMADO NV FABRIEK VAN METAALWAREN, Dordrecht, has built up its manufacturing facilities in the Netherlands by taking over NV METAALWARENFABRIEK ZWANENBURG, Hoofddorp, Haarlemmermeer. With a labour force of some sixty persons, the latter company will soon transfer the manufacture of tubular furniture and stools to its new factory at Roermond.

FINANCE

** The BANCO AMBROSIANO SpA, Milan (see No 480) has backed the formation in Switzerland - in association with its Swiss subsidiary BANCO DEL GOTTARDO SA (see No 360) - of the Lausanne investment company ULTRAFIN SA (capital Sf 5 million). Herr E. Lederer, the former foreign operations director for the Deutsche Bank, Frankfurt will act as financial adviser to the new concern.

** The financial links (see No 495) existing between the BANQUE DE PARIS & DES PAYS-BAS SA, Paris and the CREDIT DU NORD SA, Lille (Paribas is the main shareholder in the Lille bank) are to be reshaped in order to allow both to operate on a basis of equality in their special fields.

** Two Benelux banks, NEDERLANDSCHE CREDIETBANK NV, Amsterdam (see No 495) and the BANQUE DE BRUXELLES SA, Brussels (see No 490) have taken 10% each in THE DINERS' CLUB BENELUX SA in Brussels (credit card services for hotels and tourism). This company (see No 386) has Mr. A. Bloomingdale as president, and is now 30% affiliated to Diners' Club International Inc, New York (see No 495).

Diners' Club Benelux was formed late in 1967 by CIABEL - Credit Industriel & Automobile de Belgique SA, Brussels, to promote the American company's type of service under franchise (American Diners' Club is a 25% affiliate of the Continental Insurance Co group of New York - see No 413). Its new shareholders now also include, with 10% each, the four associated European Diners' Club companies in Paris, Frankfurt, Rome and Zurich, which are however financially independent.

** SICER - SVILUPPO INSEDIAMENTI CAMPANI INDUSTRIALI & RESIDENZIALI SpA, Naples, has just been formed as a finance company with Lire 100 million capital and Sig Salvatore Guidotti, director general of the BANCO DI NAPOLI SpA, as president. (see No 470).

Several organisations (industrial consortia, chambers of commerce etc.), including ITALSTAT SpA, Rome, have sponsored the formation of this concern, which will be an investment company orientated towards industrial reconversion and housing improvements in the Mezzogiorno.

** DEUTSCHE LIBBEY-OWENS GESELLSCHAFT FUER MACHINELLE GLASHERSTELLUNG AG (DELOG), Gelsenkirchen (see No 494 - controlled by Boussois-Souchon-Neuvesel SA, Paris), GELSENKIRCHENER BERGWERKS AG, Essen (see No 485), and HIBERNIA AG, Herne (see No 491), a member of the Berlin and Bonn group VEBA - Vereinigte Elektrizitaets & Bergwerks AG, have joined in forming a holding company to administer their respective holdings (jointly totalling over 25%) in the electricity-generating concern WASSERWERK FUER DAS NOERDLICHE WESTFAELISCHE KOHLENREVIER, Gelsenkirchen-Buer (capital Dm 74 m). The new company is at Gelsenkirchen, bears the name W.W.B. - WASSERWERKS-BETEILIGUNGS GmbH, and has Dm 20,000 capital.

FOOD & DRINK

** The West German trading, fuel and steel products transport group HUGO STINNES AG, Mulheim (see No 482) has diversified its interests and gained a 70% controlling stake in AGROS-ESSEN LG, Cologne ("Cash & Carry"sales of food products). The Essen family, which previously had complete control - through AGROS S.B. GmbH, which was formed in Cologne during February 1968 with a capital of Dm 20,000- will keep a 30% shareholding. Agros-Essen had 40,000 customers and in 1968 had a turnover of around Dm 200 million.

Hugo Stinnes is the 98% subsidiary of the Berlin and Bonn group VEBA-Vereingte Elektrizitäts- & Bergwerke AG(see No 490). It has an annual consolidated turnover of some Dm 1,500 million.

** RICARD SA, Paris (see No 462), the spirits firm, has diversified its interests in France by taking control of one of the country's leading vacuum processed coffee firms, MOKAREX SA, Epinay-sur-Seine. The firm's president is now M. Bernard Ricard (replacing M. M. Moire) and with a capital of F 1 million and a turnover in excess of 30 million (1.8% of the market) its other directors are M. P. Ricard and a representative of the Protis SA group of Bandol, Var. Control was shared between the former president (51%) and M. Marc Pfister (10.7%).

The Ricard group which now has M. B. Ricard as its managing director, superseding M. Paul Ricard, has recently built up its foreign coverage by setting up a branch at Cologne and subsidiaries at Barletta, Bari (Richard Italia SpA) and Barcelona (Richard Espanola SA), as well as taking a minority shareholding in Les Fils de Maurice Colle, Chene-Bourg, Geneva, which distributes the company's products in Switzerland.

** The Toronto group CANADA PACKERS LTD (see No 415) has strengthened its position in West Germany by acquiring a majority stake in the canning concern FLEISCHWARENFABRIK WALTNER KG, Cologne-Rodenkirchen. This had a turnover of Dm 40 million in 1968, and will increase its capital to Dm 4 million.

The Toronto group, which has eight Canadian meat, as well as fruit and vegetable processing plants, has had a Hamburg sales subsidiary since 1962, Canada Packers GmbH. There is also a British subsidiary, Canada Packers (U.K.)Ltd.

** The Paris group FROMAGERIES BEL-LA VACHE QUI RIT SA (see No 488) has strengthened its Belgian interests by forming a direct subsidiary called FROMAGERIES BEL-EXTENSION BELGE SA,Anderlecht-Brussels (capital BF 4 m). Control is shared with three affiliate companies: FROMAGERIES X & R. RENTZ, Ostheim, Haut-Rhin, FROMAGERIES PICON DA, St-Felix, Haute-Savoie (see No 461) and STE FRANCAISE DE PARTICIPATIONS & D'EXPLOITATIONS SA, Paris (owned by the Fievet and Bel families - see No 447 - and a direct shareholder in the founder). The new concern will process and market dairy products; with M.P. Delaffre as president it is run by MM. R. Crepin and P.Peeraerts (marketing).

Its parent company already has an Anderlecht subsidiary, Fromageries Bel SA (see No 358) which during the past few years has successively taken over a number of companies including Sofrobel - S.A. Fromagerie Bel, Schaerbeek and Comptoir Commercial Des Eromages-Cofro SA (formerly Maison Massin).

** Herren Claus Hartge and Albrecht Isenberg (both of Hamburg) have backed the formation of a new citrus fruits, fruit juices and tinned fruits trading concern in Rotterdam called BRASILIAN CITRUS PRODUCTS NV (authorised capital Fl 100,000 - 20% paid up); the director is to be Mr. Dick van Bergem.

** The Rotterdam group INTERNATIONALE CREDIET - A HANDELSVEREENIGING "ROTTERDAM" - INTERNATIO NV (see No 489) has made over two subsidiaries, one Belgian and one Dutch, to the Dutch dairy cooperative COOPERATIEVE CONDENSFABRIEK "FRIESLAND", Leeuwarden (see No 490).

This then takes control of DIAPHARM NV, Brussels (see No 441), which sells chemical products, yeast and animal feeds in Belgium and Luxembourg. TRIFAX NV BAKKERIJGRONDSTOFFEN, Weesp, the other firm acquired, makes yeast and chemical additives for the bakery sector, having itself formed a subsidiary last June in Düsseldorf, Trifax GmbH (capital Dm 20,000).

** The Canadian group DISTILLERS CORP- SEAGRAMS LTD, Montreal (see No 491) has formed a Nuremburg sales company called SEAGRAM OVERSEAS SALES CO GmbH (capital Dm 20,000), with Herr Maurus Heinz, Nuremburg and Smal Aage, Rome as managers. This will promote sales of spirits made by JOSEPH E. SEAGRAM & SONS INC, New York.

The Montreal group had previously acquired a minority shareholding (see No 456) in the Kiel spirits and fruit juice concern FRITZ LEHMENT GmbH & Co KG (see No 456).

** The Dutch firm NV VERENIGDE TEXTIEL - & OLIEFABRIEKEN, Krommenie (see No 491) has made into a subsidiary called CROKLAAN NV, Vormerveer (authorised capital Fl 6 m - 20% issued) its CROK & LAAN Division. This processes vegetable oils and fats (coconut oil, palm oil, cocoa butter) and also makes animal feedingstuffs.

The Krommenie firm, which makes tufted carpets, and bedside rugs through its "Tufton Tapijfabriek" division also controls a Western German sales company Tufton Teppich GmbH, Kleve. It recently established Croklaan (Belgie) NV, Brussels to manufacture, import, export and market food products.

GLASS

** The leading Scandinavian manufacturer of metal and glass containers PLATMANUFAKTUR (PLM) A/B, Malmö (1968 turnover Kr 350 m - see No 402) has acquired control of the Dutch glass container firm GLASINDUSTRIE DONGEN N.V., Dongen (see No 399), which employs some 270 persons. The Dutch firm was sold to the Swedish group by the American company BALL BROTHERS Co, Murcie, Indiana, which had acquired control in February 1967 after buying up the 50% stake held by its original partner Van Tuijn's Limonadefabrieken & Distilleerderijen N.V., Dongen.

The Swedish group is already represented in the Common Market by its Munich subsidiary P.L.M. -Spülenvertriebs GmbH, Munich, responsible for the sale of its stainless steel sinks.

INSURANCE

** M. Gabriel Forest is the main shareholder in the newly-formed Paris insurance brokers BOWATER HAMMOND CONTINENTAL SA (capital Fl 100,000), whose president is M. Jacques Michoud. The new company has been backed by the London group THE BOWATER PAPER CORP LTD (which controls PAPETERIES DE LA CHAPELLE SA, of which M. Gabriel Forest is already president). Control is exercised directly and also through its holding company, A.G. Für Unternehmungen Der Papierindustrie, St-Moritz (see No 494). The British group already has interests in the insurance sector through a 51/49 link-up with L. Hammond & Co (Holdings) Ltd, London, within Bowater Hammond Ltd, London.

** The Antwerp group G. & C. KREGLINGER SA (see No 486) has carried out a reorganisation of the assets of its subsidiary AEGIS VERZEKERINGSAGENTSCHAP N.V. Antwerp:

1) Its subsidiary CIE COMMERCIALE KREGLINGER SA has had its capital increased to Bf 10,71 million.

2) The subsidiary COMPTOIR D'ASSURANCES BRACHT N.V. Antwerp has been renamed Bracht Regis N.V. (capital Bf 3 m) and is now controlled jointly by the G. & C. Kreglinger and Bracht & Co N.V. groups (see No 496). Bracht Regis N.V. has received from Aegis its shareholding in Asco - Assurances Continentales N.V., Antwerp and has also taken over its role in Belgium as the representative for a number of British companies, LEGAL INSURANCE CO LTD, Liverpool; PLANET ASSURANCE CO LTD, London; THAMES & MERSEY MARINE INSURANCE CO LTD, Liverpool.

** Headed since their merger (see No 456) by the holding company DELTA VERZEKERINGSGROEP N.V., Amsterdam (see No 493), the insurance companies HOLLANDSCHE SOCIETEIT VAN LEVENSVERZEKERINGEN N.V. and AMSTLEVEN-AMSTERDAMSCHE MIJ. VAN LEVENSVERZEKERINGEN N.V. have formed a joint subsidiary also in Amsterdam called ONROEREND GOED MIJ. DE VINK N.V. With an authorised capital of Fl 10 million, this will deal in property assets and will be run by MUNTHOF N.V. (see No 438), a subsidiary of the first founder which specialises in property deals.

OIL, GAS AND PETROCHEMICALS

** The West German group SAARBERGWERKE AG, Saarbrücken (see No 494) is to strengthen its Belgian interests by establishing a network of service stations based in Antwerp and supplied from its new refinery at Klarenthal. A Düsseldorf subsidiary of the group FRISIA MINERALOL GmbH, has also recently extended its Common Market interests (see No 491) by forming a distribution subsidiary FRISIA PETROLES Sarl in Luxemburg. Its existing sales network already covers the Netherlands through Frisia Mineralolien N.V., Groningen, and France through Sipec Sarl, Paris (formerly Sogicarbo France Sarl - see No 465).

** AQUITAINE S.W.A. SA, Courbevoie, Hauts-de-Seine (capital F 1 m - president M. Jacques Quoix) has just been formed to prospect for oil and natural gas in South-West Africa. The new company is a subsidiary of S.N.P.A. - STE NATIONALE DES PETROLES D'AQUITAINE SA (a member of the state group E.R.A.P. - ENTREPRISES DE RECHERCHES & D'ACTIVITES PETROLIERES SA - see No 495) and the South African state concern SWEKOR, also has a stake.

PAPER & PACKAGING

** THE FINNISH PAPER MILLS ASSOCIATION, Helsinki (paper and paper pulp exports organisation - see No 390) has formed two sales subsidiaries in the Benelux countries, where its interests were already represented by NV FINSE PAPIER & KARTON-AGENTUREN WIEMEYER & CO, Amsterdam and CARL WIEMEYER SA, Brussels. The new Amsterdam company called FINSE PAPIER SERVICE WARASTO NV (capital Fl 250,000) and run by C.F. Ehanzooth, Bossum, is backed by another company NV FINCOURANT (formed in association with PROOST & BRANDT NV, Amsterdam) and run by Mr. U.P. Proost. ETS CARL WIEMEYER SA (capital Bf 1 m) the new Brussels concern is run by MM. T. Damsten and C. Wiemeyer.

The Finnish cardboard exporters organisation FINNBOARD, Helsinki (see No 484) is represented in the Benelux countries by three subsidiaries, Finse Papier & Kartonagenturen Wimeyer & Co, Amsterdam (see No 307) along with its subsidiary Finlandia NV and Finnboard-Belgium SA, Ixelles-Brussels.

PHARMACEUTICALS

** The American pharmaceuticals group BAXTER LABORATORIES INC, Morton Groves, Illinois has raised to Bf 37.5 million the capital of one of its Brussels subsidiaries EUROPARENTAL SA (see No 421) in order to back its expansion and at the same time its name has been changed to TRAVENOL LABORATORIES SA.

With M. J. Bocquet as president, a subsidiary was formed in 1954 and is a sister company of Eurobiochim SA, Brussels. It has begun to build a factory at Lessines costing some Bf 200 million, which will employ 370 persons in 1972, and supply the group's requirements in Western Europe.

* I.C.I. - IMPERIAL CHEMICAL INDUSTRIES LTD, London (see No 494) is to strengthen its pharmaceutical interests in Italy and France by establishing two specialised production units. Costing some £ 1.75 million, these will begin in 1971 to manufacture the products until now made by the group's production units at Macclesfield, Cheshire.

The first will be based near Milan and will be run by a new subsidiary called I.C. Pharma SpA, of Imperial Chemical Industries (Italia) SpA, Milan (see No 416). In France the new facilities will be based at Rheims and run on behalf of Laboratoires Avlon SA, Enghien (see No 266).

PLASTICS

** The Danish businessman Mr. Svend Finn Svendsen, Wille Vǎrloze has formed a company in Amsterdam called PUSSYCAT N.V. (authorised capital Fl 100 - 20% issued). This will trade in plastic baby goods and cosmetic products.

RUBBER

** With the aim of boosting its Common Market rubber sales, the American company BEARCAT TIRE CORP, Chicago, Illinois (see No 306) has formed a subsidiary called BEARCAT TIRE N.V., Saint-Gilles, Brussels (capital Bf 500,000) directly controlled by the Swiss subsidiary BEARCAT TIRE AG, Zug. Managers of the new concern are Messrs. Louis Fishman, Jordan Fishman and Thomas Haderlein. The American company has had a Frankfurt sales subsidiary, Be arcat Tire GmbH, since 1965.

** The West German rubber company SAAR-GUMMIWERK GmbH, Büschfeld, Saar, (see No 478 - a subsidiary of the SAARBERGWERKE AG group) has rationalised its French interests and thus strengthened the position of STE DE CAOUTCHOUC & DE PRODUITS CHIMIQUES-SOCAMIC Sarl, Paris. This has had its capital increased to F 4.5 million after having taken over ETS PAUL VOGT Sarl, Bischwiller, Bas-Rhin (capital F 4 m - gross assets 8.34 m), which makes brake linings, clutches and industrial rubber products.

** The 51/49 Netherlands subsidiary of the American rubber group, B.F. GOODRICH CO. Akron, Ohio and the Dutch chemical concern, A.K.U.-ALGEMENE KUNSTZIJDE UNIE NV, Arnhem, CHEMISCHE INDUSTRIE AKU-GOODRICH NV, Arnhem (see No 450) which manufactures synthetic rubber and chemical products for rubber and plastics, has formed a direct sales subsidiary in Milan called CIAGO ITALIA SpA (capital Lire 8 m), under the presidency of M. A.M. Vermorken.

A.K.U. (see No 495) already has its own sales representation in Milan which it set up in December 1968 with a backing of Lire 2 million and under the direction of Mr. C.C. Sistemans; this facility looks after the promotion of "Terlenka" textured fibres sales in the country. AKU-Goodrich has had a subsidiary in Vienna since the end of 1967 (see No 441) and in 1968 it took control of its Paris representative, Polyplastic SA.

SERVICES

** Mr. Anthony D. Eastman, Chicago, a partner in ANTHONY EASTMAN ASSOCIATES INC, and Mr. James T. Fulghum (an American living in Munich), a partner in REGEHR & FULGHUM ASSOCIATES, each have a 40% stake in the newly-formed Belgian company EASTMAN-FULGHUN INTERNATIONAL SA, Ixelles, Brussels (capital Bf 500,000). With M. Eric Lanau, Mies, Vaud, (20% interest) as managing director, this will promote and apply organisation and management techniques.

** The New York engineering consultants CRESAP, McCORMICK & PAGET have sold their stake in the German market research firm INFRATEST-CMP INSTITUT FUR UNTERNEHMENSBERATUNG & INVESTITIONSGÜTER- MARKTFORSCHUNG GmbH, Munich, formed in 1965 on a 50-50 basis with INFRATEST GmbH & CO KG MARKTFOR-SCHUNG- WIRTSCHAFTSFORSCHUNG-MOTIVFORSCHUNG SOZIALFORSCHUNG, Munich (see No 325). As a result the Munich firm has been renamed INFRATEST-INVEST (capital Dm 20,000) and it is now controlled 60% by Infratest GmbH & Co and 40% by Dr. Franzen.

TEXTILES

** An agreement has been signed in Italy between SNIA VISCOSA SpA, Milan (see No 483) and INSUD-NUOVO INITIATIVE PER IL SUD SpA, Rome (a finance company of the State group E.F.I.M. SpA - see No 494). This covers the processing at Foggia of acrylic fibres in a complex costing some Lire 10,000 million. A joint subsidiary will be formed called FILATURA FOGGIANA SpA, Foggia, in which the CUCIRINI CANTONI COATS SpA group, Milan (see No 426), a 66% subsidiary of the British group COATS PATONS LTD, Glasgow (see No 487), will also have an interest.

Snia Viscosa during 1968 merged with B.P.D. - Bombrini Parodi Delfino SpA, Rome ("Delfion" polyamid fibres at Castellaccio-Paliano, Fronione - see No 457). Its main shareholders are E.N.I. - Ente Nazionale Idrocarburi SpA, Rome; Montecatini-Edison SpA, Milan; Mediobanca SpA and a French group including the Gillet group and Pricel SA, Paris.

** The Geneva textile firm SCHAPPE SA, Geneva (a member since late 1967 of the American group BURLINGTON INDUSTRIES INC, Greensboro, North Carolina - see No 488), which makes threads and synthetic textured fibres (see No 483), has formed a Brussels sales subsidiary called SCHAPPE BELGIUM SA (capital Bf 250,000).

The new company will be supplied with products from the group's factories in West Germany and France, and these also supply the first sales subsidiary in the Benelux countries, which was formed during September 1968 in Amsterdam as SCHAPPE NEDERLAND N.V. (capital Fl 75,000). The group also has factories in Britain and Spain.

* The merger within the French textile industry between SCHAEFFER MANUTENTION SA, Pfastatt-le-Chateau, Haut-Rhin (part of Ets. Schaeffer SA - see No 482) and the S.A. DES ETS. LES FILS D'EMMANUEL LANG, Paris and Mulhouse, has been agreed to in principle and will result in the formation of a 'groupement d'interet economique' run by the Paris firm.

Les Fils d'Emmanuel Lang (capital F 3 m) specialises in the production of thread and the weaving of cotton and synthetic fibres, as well as accessories for shirts, cotton and synthetic materials (trade mark "Le Chardon de Lorraine") etc. At its factories at Hirsingue and Waldingshoffen, Haut Rhin. The first of these companies has recently made over its Colmar factory (dyeing, finishing and cutting of velvet) to S.A. D'Industrie Cotonniere, Mulhouse, Haut-Rhin in exchange for a minority shareholding.

** The West German textile manufacturer SCHULTE & DIECKHOFF GmbH & Co KG, Horstmar (see No 457) has opened a branch at Morangis, Essen to its French subsidiary SCHULTE & DIECKHOFF FRANCE Sarl (capital F 500,000). The latter's head office has now been moved from Paris to Morangis, Essen.

The founder employs some 3,300 persons and had a 1967 turnover of Dm 410 million. Its principal products are "Nur Die" tights and stockings, shirts and pullovers.

** A 50-50 association between two Dutch manufacturers of men's clothing, N.V. HERENKLEDINGFABRIEK C.E. GROL & ZONEN and N.V. HERENKLEDINGFABRIEK S. MULLER & CO (both at Groningen) has resulted in the formation of MULLER-GROL INTERNATIONAL N.V., Amsterdam (authorised capital Fl 500,000 - 20% issued) under Mr. Hans de Vries. The new company will promote exports of its founder's products.

TOBACCO

** The Dutch international tobacco trading concern, A.L. VAN BEEK NV, Rotterdam, which is diversifying, has underwritten the doubling to Fl 700,000 of the capital of the food wholesaling concern RENEMAN & VAN DER JEIJDEN NV, Gouda. This firm has a majority holding in the glass, porcelain and ceramics importing company NV GROOTHANDEL & AARDEWERKFABRIEK v/h CORN'S JONKER ZOON, Gouda, and since 1966 has controlled the wholesale firm of NV de Goudische Groothandel AO 1878, Gouda.

The Rotterdam group, which turned over Fl 48 million in 1968, with 120 people on its payroll, has many interests in the tobacco trading sector: in the Netherlands, a wholly-owned subsidiary, NV Hollandsche Turksche Tabak Mij, Rotterdam, which has offices in Turkey, Greece, Rhodesia, Malawi etc. Abroad, there are subsidiaries in West Germany (Balkan Tabakshandels GmbH), and Belgium (Benetab SA, Woluwe-St-Pierre), and a holding in Hofor Tobacco Corp, New York (33.3%), with which it is linked 50-50 in Colombia in Tabacos del Caribe Ltda. Shares are also held in the Brazilian Cia Comercial Overbeek and F.C. Martfeld & Cia, and in firms in the Dominican Republic.

** The Dutch coffee and tobacco firm DOUWE-EGBERTS & KONINKLIJKE TABAKSFABRIEK & KOFFIEBRANDEREIJEN-THEEHANDEL N.V., Utrecht (see No 485) has gained through its tobacco manufacturing subsidiary DOUWE EGBERTS TABAKSMIJ, Voure, a 50% stake in the tobacco and cigar manufacturer PANTER SIGARENFABRIEKEN H. & J. VAN SCHUPPEN N.V., Veenendaal. This was formed in 1920 and has production facilities at head office, Utrecht and Culemborg (500 employees). It is not however linked with Gebr. Van Schuppen's Ritmeester Sigarenfabrieken N.V., Veenendaal (a 25% affiliate of the British group Gallaher Ltd, Belfast - itself controlled by The American Tobacco Co New York). Douwe Egberts has an annual turnover of Fl 450 million and employs some 2,500 persons in the Netherlands.

TOURISM

** AIRPORT CATERING SERVICES LTD, London the 60-40 subsidiary of FORTE'S (HOLDINGS) LTD and BEA - BRITISH EUROPEAN AIRWAYS LTD (see No 490) has formed a new Belgian subsidiary called AIRPORT CATERING SERVICES (BELGIUM) SA (capital Bf 500,000), St.-Josse-ten-Noode, Brussels. Headed by M.J. Doudelet this will manage and run hotels, restaurants, bars and canteens, as well as supplying them with food and beverages.

The founder already has a similar company based in Amsterdam, and it has direct control of the Paris, Les Grands Hotels Associes SA (president Mr. Charles Forte) a holding company with capital of F 300,000. This controls Hotel Plaza Athenee SA (capital F 3 m - president Mr. Forte), Hotel George V SA (F 25 m) and Hotel de La Tremoille SA (F 1 m).

** The Swiss investment company STE CONTINENTALE DE GESTION FINANCIERE SA, Lausanne (see No 495) has extened its Italian interests by backing two new tourist promotion and property development concerns. The Lausanne firm is a member of the New York group, the CONTINENTAL GRAIN CO (see No 478) and since 1968 (see No 453) has been affiliated to Banque de l'Indochine SA, Paris; Cofinindus SA, Brussels; Banque Cantonnale Vaudoise SA, Lausanne; and Flaminia Nuova SpA, Rome.

The first new Milan concern is PLANINVEST SpA (authorised capital Lire 60 m - a 20% stake) with the remainder shared 50/20 between TRANS TOURINVEST SpA, Milan (capital recently raised to Lire 50 m) and NIZZOLI ASSOCIATI S.C., Milan. The other is BATI INVEST SpA (authorised capital Lire 50 m) a 10 % interest, with the remainder held by Trans Tourinvest.

The Lausanne company took part during late 1967 in the acquisition of control of Immobiliare Muro Srl (since changed to Tecnica Tourinvest SpA - see No 421) also involved in property development for touristic purposes.

** HILTON HOTELS CORP, Chicago (page W) which is expanding in Germany, has opened a Mainz branch to its Berlin subsidiary DEUTSCHE HILTON HOTELS INTERNATIONAL GmbH.

The American group's most recent move in Germany has been to form a company named VHH - Vereinigte Hotel Holding GmbH in Frankfurt (see No 386), to manage three new luxury hotels in Frankfurt, Hamburg and Munich.

** HILTON HOTELS CORP (see No 487 and P. V) has rationalised its French interests by closing down its French subsidiary STE MOBERGE Sarl, Paris (see No 396). M. Michel Tarte will finalise the operation.

Ste Moberge Sarl was formed in 1964 with a capital of F 10,000, which has not been increased. It was controlled by the American group (a subsidiary since 1967 of T.W.A. - Trans World Airlines Inc - see No 494) through its subsidiary Hilton France SA (formerly Ste Hoteliere de Paris SA - see No 370).

TRANSPORT

** Inland waterway transport firms (notably Rhine-based companies) from five European countries have come together to form a new group called, R.C.L. - RHEIN-CONTAINER-LINIE which will operate a regular container service on the Rhine as from February 1969 from Rotterdam, Amsterdam and Antwerp to the ports of the interior.

The companies concerned are: 1) on the Dutch side: DAMCO SCHEEPVAART MIJ. NV, Rotterdam (see No 465) which belongs indirectly to Ned. Scheepvaart Unie NV, S.H.V. - Steenkolen-Handelsvereeniging NV and Thyssen-Bornemisza; NIEUWE RIJNVAART MIJ. NV, Amsterdam, a subsidiary of KON. NED. STOOMBOOT MIJ. NV, Amsterdam and which is already working together with the last-named company in the running of a container service between the Netherlands and Switzerland, and Reererij. v/h J.H. KOENGSFELD NV, Rotterdam; 2) on the Belgian side: Ste Anversoise de Liaisons Fluviales "S.A.L.F." SA, Antwerp (see No 484), which is affiliated to the Cie Maritime Belge (Lloyd Royal) SA and indirectly to Plouvier & Cie SA, Antwerp; 3) on the German side RHENANIA SCHIFFAHRTS- & SPEDITIONS GmbH, Mannheim; FENDEL SCHIFFAHRTS AG, Mannheim (part of the Veba group - see No 487); RAAB KARCHER GmbH, Karlsruhe (subsidiary of Gelsenkirchener Bergwerks AG, Essen - see No 455) and the HANIEL group (see No 489); 4) on the French side: the COMMUNAUTE DE NAVIGATION FRANCAISE RHENANE and 5) on the Swiss side: SCHWEIZERISCHE REEDEREI AG, Basle (see No 482) and NEPTUN TRANSPORT - & SCHIFFAHRTS AG, Basle.

** A cooperation agreement has been drawn up between the Rotterdam trans-shipment concerns, S.S.M. - TRANSPORT NV and STUWADOORS MIJ. HEYPLAAT NV (see No 483). The first of these was formed in January 1967 with capital of Fl 2.5 million by the transport and fuel trading firm, Scheepvaart & Steenkolenmij. NV, Rotterdam (see No 398). The second is a joint subsidiary of Van Nievelt & Goudriaan & Co's Stoomvaart Mij. NV, Rotterdam and S.H.V. - Steenkolen-Handelsvereeniging NV, Utrecht.

** TERWOGT & LAGERS NV, Amsterdam (authorised capital Fl 625,000 - 20% issued) has just been formed to charter shipping, transport passengers and goods and act as an insurance broker. The main shareholder in the new company is M. Borchard B.G. Lagers, Kapellenbos, Belgium, who also heads TERWOGT & LAGERS C.V., whilst it will be run by M. Johan H. Lagers, who is the attorney for Terwogt & Lagers and also a shareholder in the new venture.

** The Italian car transport firm SITA SpA, Turin and Florence, (president Sig. B. Trapolin - a member of the Turin group FIAT SaP - see No 494) has strengthened the financial position of its subsidiary in Belgium BATO N.V., Saint-Andries, which is headed by Sig. D. d'Amico. With an increased capital of Bf 14.99 million, this will now be able to expand its operations.

** The Brussels-based group CIE INTERNATIONALE DES WAGONS-LITS & DU TOURISME SA (see No 492) has reduced by 2.5 % to around 0.36 % its stake in the Paris company AIR TRANSPORT SA, which has strengthened its financial position by reducing its capital and then increasing it to F 12.6 million.

With M. J. Richard-Deshais as president this is engaged in the transport of goods, vehicles and passengers to and from the Balearics, Corsica and Britain, where it operates in conjunction with BUA (HOLDINGS) LTD (formerly British United Airways Ltd) a member of the British & Commonwealth Group Ltd, London. Control of Air Transport is shared between the S.N.C.F. - Ste Nationale Des Chemins De Fer Francais (majority stake) and a group including Cie du Nord (part of the Rothschild SA group); Ste Financiere de Gerance & de Participations SA; Air France SA, S.A.G.A.- SA de Gerance & d'Armement SA; and the C.G.T.-Cie Generale Transatlantique.

One of Wagons-Lits' most recent moves inside France was the formation in Paris of two sister companies, each with F 100,000 capital, to run hotels, restaurants and tourist sites: Ste de Restauration Nouvelle-Sogeno SA (president M.J.C.Chaussin) and Ste de Restaurants-Bars-Soreba SA (president M.R. Turbat).

VARIOUS

** LUFKIN RULE CO OF CANADA, Houston, Texas, a subsidiary of the LUFKIN RULE CO, Saginaw, Michigan division of the American group COOPER INDUSTRIES INC, Houston, Texas (see No 488) intends to build a factory at Emmen in the Netherlands, making metal, plastic and wooden rulers. Costing some Fl 500 million, this is expected to employ around 50 persons to start with. The new factory will be run by a company formed for this purpose, LUFKIN RULE EUROPA N.V., and production will be exported to the rest of the Common Market, Scandinavia, Spain, Portugal, Sweden, Austria and Greece.

** The American manufacturer of toys MATTEL INC, Hawthorne, California (see No 497) is continuing to expand its interests within the Common Market (see No 492) and has gained control of MEBETOYS, Cologno Manzese, Milan, which makes miniature rifles, pistols and cars and is headed by Sig. Mario Besana. The American group has recently formed a Milan subsidiary Mattel SpA (under Sig. A. Ratti) as well as taking control of the doll manufacturer Ratti & Vallenzasca Sas, Arona, Verona. In another move Mattel Inc has acquired control of the Brussels firm E.B.I.E.X. - ETS BELGES DES IMPORTATIONS & EXPORTATIONS SA.

** HANNES MARKER SICHERHEITS - SKIBINDUNGEN VERTRIEBS GmbH, Garmisch-Partenkirchen (annual turnover Dm 10 m) which makes skis and ski-bindings, has decided to form an Austrian maintenance and sales subsidiary.

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