

# Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

## CONTENTS

**LIBRARY**

COMMENT - From Bonn:  
"Hot Potatoes Verboten"

THE WEEK IN THE COMMUNITY  
April 7 - April 13, 1969

INTEGRATION	Page 1
Belgium's Race Against Time	
AGRICULTURE	Page 4
Aid for Producers' Groups	
TRADE: Italy: Second Hand Imports - Brandy - Lead & Zinc	
Germany: Light Aircraft Imports	
COMPETITION: Legal Barriers	Page 7
E.C.S.C.	Page 8
Steel Over-Investment Danger - 1966 R & D Indicators	
MONE TARY MATTERS	Page 10
INDUSTRY	Page 11
De Bandt Plan for Textiles	
U.S. - E.E.C. Relations	Page 13

### STUDIES & TRENDS

The Development of the Free Gold Market - I  
by Philippe de Weck,  
Director-General, Union Bank of Switzerland

### **EUROFLASH: Business penetration across Europe**

Headlines	Page A
Index	Page N
April 17, 1969	No 508

LA  
AS  
BS  
CL  
EK  
FS

# *Opera Mundi* **EUROPE**

**A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET**

PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED  
EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT TEL. 25202/4 TELEX 95114

## OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e  
TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER .. PAUL WINKLER  
EXECUTIVE EDITOR .. CHARLES RONSAC  
MANAGING EDITOR .... ANDRE GIRAUD

### SWITZERLAND

54 Rue Vermont GENEVA  
TEL: 33 7693

### ITALY

72 Corso di Porta Romana MILAN  
TEL: 540.301 - 540.309

### BENELUX

4 Boulevard Anspach BRUSSELS  
TEL: 18-01-93

o

### **SUBSCRIPTION RATES**

U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS  
U.S.A. AND CANADA \$250 ONE YEAR \$135 SIX MONTHS INCLUDING AIRMAIL  
OTHER COUNTRIES AT LOCAL EQUIVALENT OF U.K. RATES

© EUROPEAN INTELLIGENCE LTD.

Printed and Published by EUROPEAN INTELLIGENCE LIMITED  
at Europa House, Royal Tunbridge Wells, Kent, England

April 17, 1969

1

## COMMENT

A Letter from Bonn

"Hot Potatoes Verboten".

During the past few weeks in Germany the debate over the building of Europe has dropped very much into a minor key: neither of the two major parties in the Federal Republic seem now to have the nature of cooperation with France nor the bedevilled efforts to enlarge the Community at the top of their priority lists. The election campaign this summer looks like being a strenuous one, and at this time Europe is a theme that it will be better to avoid.

This attitude has been conditioned as much as anything by the general bewilderment felt in West Germany over President de Gaulle's European policies. Members of the Federal Government are as much at pains in public to avoid condoning these policies as to inveigh against them. They wish for nothing better than to prevent relations with France from deteriorating any further than they have already, at a time when at every opportunity the German press holds forth against what it calls the continuing absence of any real inclination to get Franco-German relations on a sounder footing. Indeed, those officials in Bonn whose task it is to deal with European affairs openly admit that they have lately just about had their fill of trying to follow and analyse French diplomatic thinking on this score.

What we might call Germany's in-built national reflex action must surely play a part also in the political considerations that contribute towards this negative attitude concerning both European integration and Franco-German cooperation. This certainly goes for the nuclear Non-Proliferation Treaty. During the recent Bundestag debate on this, Willy Brandt exhorted the signature of the N.P.T. by West Germany at the earliest possible moment, although the issue continues still to be debated as hotly as it was a while ago. Nevertheless, Brandt was not speaking "ex cathedra", as he had not Dr. Kiesinger's sanction, and it was perhaps fortunate for the Chancellor in fact that illness prevented him from having to show his colours on this matter, and indeed bring his Foreign Secretary to book before Parliament. The Grand Coalition can well do without added complications of this order.

What this incident did do, however, was set in relief various aspects of German foreign policy that more often than not fail to come to light. In recent weeks, this policy has tended to revolve far more round relations with the U.S.S.R., the East European states and the U.S.A. than round the development of cooperation in Western Europe as such. Again, President Nixon seemed to have it in mind to ease Germany's efforts to fall in with the United States by freeing the Coalition from some of its more specific commitments, and at the same time supporting the Federal Republic through the difficult phase it underwent just prior to the election of the Federal President in Berlin. The election itself of course

April 17, 1969.

only served to heighten tension in domestic politics, and both ministers and Parliament at large are now looking more and more towards the September elections.

The latest round of Franco-German talks in Paris did nothing to alter the picture, and in fact looking back on them they were really only one more facet added to the Byzantine and at times puzzling mosaic of Franco-German relations. Not one influential German paper had anything enthusiastic to say about the outcome of the Kiesinger-De Gaulle talks. But in Bonn it is stressed that one must distinguish between bilateral and multilateral problems, for much progress has been made in the former sphere, while it is only in the latter, which of course embraces European policies essentially, that stagnation has occurred.

Thus there seems to be a general impression that the bilateral agreements made in Paris can very easily be brought to fruition, in particular with the Airbus. It is still hoped that Britain will come in on this, but we have now reached a juncture where even a "no" from London would come too late to kill the project. Indeed, the Federal Government is within an ace of listing the financing of this project as a priority, such that it would be free from the danger of budgetary cuts during the coming years.

Again, both the agreement on coal prices in the Saar and on future cooperation in the petroleum industry are seen in Bonn as indicative of the usefulness of consultations of this sort. It is believed that Paris has without rancour accepted the fact that it is impossible for French capital to be invested in the new German oil company. At the same time sources in both the Economics Ministry and the Chancellery feel that there can be steady progress towards close collaboration with French concerns, especially in oil prospection, and the promise of deliveries at world prices by French companies is looked on as a very good opening move towards this. Finally, concerning regional cooperation between the Saar and Lorraine, we have again what is felt to be a logical bid to use modern criteria to solve difficult problems of structural economics, although in Bonn the proviso here is that the thing only becomes difficult when one gets down to specifics.

One of the Chancellor's avowed aims in going to Paris was to clear up many of the resentments and misunderstandings bred at the time of the international monetary crisis last November. The agreement worked out with the aim of providing rapid decisions to resolve such crisis situations before they get too desperate looks as though it could well prove successful, according to the authorities in Bonn, but they do add that any preventive or remedial measures adopted during future crises cannot possibly be taken by France and Germany alone, but in concert with all other member states of the Community at least.

Against these successes, notched up in the bilateral sphere, we have to weigh recent failures in multilateral fields. Bonn is completely unwavering - and prospects for the elections are not absent from considerations here - in its decision to

April 17, 1969

3

retain in principle its approval of British membership of the EEC. By way of fostering this, Germany's proposals for a commercial arrangement will remain tabled for as long as may prove necessary with the Council of Ministers. In Bonn, interest is expressed in De Gaulle's ideas concerning the enlargement of the Community, but further clarification is being asked for. What is wanted is detailed French proposals in fact, of a nature that can lead on to fresh political moves. However, Paris clearly does not expect West Germany to take the initiative here.

M. Debre's proposal, much discussed it seems in EFTA circles, that a 15% all-round tariff reduction between the Community and EFTA countries, phased over four years, does not seem to have cut much ice in Germany. On the other hand, it is only a small hard core of German politicians now that would vote against EEC membership of a wider European free trade area. The others believe that as far as tariffs at least are concerned, the Common Market is now strong enough to withstand any danger that such an agreement with EFTA would pose of "diluting" the Community. Indeed, there is no shortage in Bonn of those who would remind us that the suggestion of EEC block membership of a free trade area came from Germany, and that the Brussels Commission has long had it under consideration.

By and large, German thinking is tending to revolve more and more around the "crunch" question in European policy and De Gaulle's philosophy on the same: can the Community be enlarged and at the same time survive as such and become stronger? All the French President's utterances and "musings" on the running of the EEC and the need to strengthen it are interpreted here as the refutation, implicit, of any degree whatever of dismantling of the Common Market structure. This allies itself with the widely-held conviction in both the coalition parties that at no price should the Community be jeopardised, but rather strengthened. That this conviction is at odds with certain tenets of domestic German policies, especially in agriculture, is something that we will not delve into at this time.

On his return from Paris, Herr Willy Brandt placed the emphasis on the possibilities for "a la carte" European integration, based on the consideration that no state is yet ready to relinquish sovereignty to any great extent, and that "half way house" solutions are the only valid ones at present. "A la carte" has therefore become something of a watchword in Germany, and of course a whole flurry of speculation is building up as to what exactly is meant by it. For those in the forefront of the European movement, "a la carte" integration can only be considered outside the framework of the Community, and chiefly in technological projects. At the same time, slightly less Community-minded elements are toying with the idea of tackling defence and technology problems within the Community, but with different partners, which in fact would mean placing more emphasis again on bilateral activities.

Turning lastly to the WEU crisis, regret is felt in Bonn that this particular thorn could not have been drawn from Europe's flesh during the Paris talks.

April 17, 1969

Germans are tending to condemn the French for taking such a literal reading of the Treaty, while admitting that there is nothing strictly incorrect about doing so. The Federal Government's view is that the WEU is a perfectly appropriate forum for political consultation between the Six and Britain. It counters the French veto with the argument that nothing can be done to prevent consultations if a member state wants them, and that there is nothing whatever to bear out the assertion made in Paris that this would be offering Britain a "back door" into the Community. Be that as it may, nobody in Bonn feels that either the value or the utility of the WEU is so great that France's boycotting of it could in any way detract seriously from Franco-German cooperation.

## THE WEEK IN THE COMMUNITY

April 7 - April 13, 1969

## INTEGRATION

Belgium's Race Against Time

From our Brussels Correspondent

Europe is Belgium's only salvation. Day by day it becomes clearer that what in Belgium are called "community affairs" - that is, relations between the Flemish and Walloon communities inside Belgium - are taking such a turn that only rapid and fundamental integration of the European Community, in both economic and political terms, can save the situation. Not a statesman in Belgium would begin to question this fact. Nothing short of total commitment to the construction of Europe can prevent the division of the country and its people. It is this pressing need, coupled indeed with European "faith" that is but rarely equalled elsewhere in the nations of Europe, that has moulded, and continues to dictate the Belgian Government's go-ahead EEC policies. On the one hand this means that Belgium is redoubling her efforts, cautious though they must continue to be, because of her size and her modest political weight, to pursue the building of Europe, "wherever it is possible to do so", as her Foreign Minister M. Pierre Harmel has said. On the other hand, and in the past Paul Henri Spaak demonstrated how to go about this, Belgium needs more than ever today to continue in her role as an "honest broker" in European affairs. Faced with the divergent interests of the major countries concerned, who alas find themselves all too often at loggerheads, Belgian diplomats take upon themselves the delicate, but often fruitful task of striking a balance between their partners that can lead to the compromises so essential to Community progress. Belgium in fact is uniquely qualified to adopt this often unrewarding, but vital role.

Belgium, with cultural autonomy, economic decentralisation, the duplication of a number of ministries, is even now taking a major step towards de facto federalism. Observers in Brussels over the past four years have been able to witness the extraordinary acceleration that has taken place in the process of separation of the Flemish and Walloon populations. It would be wrong however to assume, as is often the case outside Belgium, that these two communities have it in mind to become totally independent, still less attach themselves to neighbouring countries, the North to the Netherlands, and the South to France. There are elements that harbour such notions, of course, but these are but fringe movements, accounting for the merest minority of the population at large. Not that this alters the fact that talks are even now under way concerning constitutional reform of a nature to give either half of the country a very great deal of autonomy, in all manner of sectors, not least economic ones. This could add up to partition in practical terms, and political commentators in Belgium are inclined to think that this would be only the beginning. Also symptomatic is growing evidence of centrifugal forces at work within the major political parties, the Christian Socialists and the Socialists, whilst the "extremist" parties

April 17, 1969

like the Volksunie or the F.D.F. (Front des Francophones) increase their following monthly. The governmental crisis that could well break before the end of this year, over this very question of constitutional reform, could hardly fail to aggravate this party schism, and while Belgium would almost certainly survive the ensuing elections as an undivided country every effort will be made to stave off such a trial of strength for as long as it is possible to do so. For one thing, even a showdown of this sort would probably do but little to solve the most nagging of Belgium's "community question" problems, that of Brussels, and whether it should "go" Flemish or Walloon. It is well nigh impossible at this time to envisage any solution that would satisfy both factions. Indeed it is the Brussels issue that demonstrates that in present circumstances the Belgian problem - which is not only a matter of language, but of economics and politics also - cannot possibly be resolved. Thus we are now finding theorists thinking in terms of making Brussels a "European precinct": perhaps the only way of keeping both sides happy. But we do not have to look this far ahead to realise that Belgium's decentralisation problems have really to be approached in the European context. As far as the men at the top in Belgium are concerned, the country is involved in a race between centrifugal forces within the country, and the integrational forces working in Europe at large. The former must be restrained and the latter stimulated.

Hence the approach that the Belgian Government has taken towards EEC affairs. True, there seemed to be more urgency about European matters under the premiership of Paul van den Boeynants than under M. Gaston Eyskens, who is now at the head of the cabinet table, but continuity in the country's European policy is assured through Pierre Harmel, who for quite a few years now has remained in charge of the foreign ministry. Critics have asserted that he has been a little too keen on dreaming up plans, on drafting memoranda at the expense of real action, and that there is something altogether too nebulous about his record, but this is a poor appreciation of his approach. Belgium is, after all, in the "hot seat": she is wedged between Britain, which throughout Belgium enjoys immense prestige and gratitude, the Netherlands and France, which in fact are completely at odds over the question of EEC membership for Britain, but which, mainly because of the language issue, have their respective fringe supporters amongst the Flemings and Walloons. It falls to Harmel to steer the middle course, and whatever the issue may be, Brussels can never allow itself, for these domestic reasons, to play Paris off against The Hague, or vice versa.

Broadly speaking, Belgium's main policy objectives are as follows:

- 1) To back Britain's bid for membership, and beyond that pursue the "Atlantic Community", in which Belgium has such a strong belief, and to which she is a loyal ally.
- 2) At all prices to avoid taking sides in any Franco-Dutch disputes, which could have repercussions at home.



- 3) To prevent Germany, on which the Belgian economy now relies quite heavily, from taking a dominating position in the Community - hence the attitude to Britain.

The reconciliation of these domestic needs with external objectives means in effect that Belgium's European policy boils down to the pursuit of European integration wherever possible and as quickly as possible, coupled with the devising and promotion of compromise between EEC member states.

Certainly, with regard to the first objective, the Belgian Government offers us daily examples of its pursuit of the European idea. It has long and unequivocally been calling for the formulation of a common monetary policy, for instance. It has been one of the most ardent proponents of a common technological drive in Europe: the present Research Minister, M. Theo Lefevre, recently played a key part in saving the European joint space effort. In unflinching defence of his country's farming population, Agricultural Minister M. Charles Heger has contributed as much as anyone towards the construction of the common agricultural market. It was because he felt that the Western European Union could provide a valid medium for thorough foreign policy consultations between the "Seven" (the EEC Six and Britain), that M. Harmel was amongst those who tried to get the W.E.U. into really useful shape again - though we now know what fate befell this bid. These are but a few instances of the Belgians' eagerness to explore any channel for hastening the process of integration in Europe. At times of course, under pressure from London and The Hague, M. Harmel has perhaps strayed somewhat into paths that could eventually have led to a crisis undermining the whole Community fabric, but he has never failed to draw back and save the situation.

When it comes to representing his country in its role as mediator between member states in matters of contention, M. Harmel has proved himself no less tenacious and competent. Thus Belgium, perhaps even more than West Germany, has been the real buffer between Paris and The Hague during the stormy days of the British membership affair. But she is not prepared to go on any wild goose chases, nor will she at any price ever agree to the blocking of Community activities, even in as cherished a cause as British membership, for she knows that as far as the Community is concerned another stalemate would be the beginning of the end. She is now unquestionably working more actively for the internal relaunching of the Community than any other member state. This does not mean that the British issue has been written off as a bad job, only that M. Harmel, well aware of the impossibility of budging Paris from the strict limits she has imposed in the matter, is still casting around for a compromise that can be made to work, which is more than can be said of those in The Hague, Rome, or even Bonn. Thus while Mr. Luns talks of "parallelism" between the enlargement and the internal strengthening of the Community, which of course Paris rejects outright, M. Harmel at the last Ministers' meeting was speaking of "the balance between the internal and external programmes" of the Community. It is perhaps only on such a basis that the Six will eventually escape from the impasse that they have now reached in this matter.

There is another matter, however, that is currently causing concern amongst Belgians: Brussels, like Luxembourg and Strasbourg, is only one of the "provisional" centres of the European Community. M. Delouvrier's alleged remarks about setting up the Community's definitive headquarters at Chantilly have brought smiles to quite a few faces, but not a few others have been disturbed as to what precisely is the French Government's view on this. Quite apart from material considerations, the vision of Brussels as the capital of Europe is one of the stronger factors governing Belgians' faith in their political future, and this clearly can be envisaged in no other context than the completion of European integration.

\*

\*

\*

## AGRICULTURE

### EEC Help for Fruit and Vegetable Producer Groups

The recent introduction of the long-awaited EEC outline regulation means that member states can now claim from the Common Agricultural Fund repayment of 50 per cent of all initial grants made to fruit and vegetable producer organisations. The new regulation should ensure that these repayments are made under uniform conditions. Of particular importance is the method of calculating the value of products marketed by producer organisations and their average earnings during the years before they combined to form a larger organisation. This value will determine the extent of the initial grants.

Under the new outline regulation the value of produce marketed by a producer organisation is calculated by multiplying the average production of each product by price for each of three years preceding the formation of the organisation. If no reliable trading documents or accounts are available, the average production is calculated on the basis of figures for production marketed by members in each of the three years preceding their entry into the producer organisation, taking the acreage under the particular crop multiplied by the average yield for the area, as given in official statistics. The resultant figure is then reduced by 10 per cent to allow for own consumption and "non-commercial transactions". An estimate of the average price obtained by members of the producer organisations in the three years prior to the formation of the group is obtained either from book-keeping records or by taking the average quotation for each product in the most representative producer market in the area in which the producer organisation is situated, this average being the mean for the particular market in the year in question, confirmed by the responsible authorities in the member state.

Claims of member states for repayments must refer to grants made by them during a calendar year and are to be submitted to the European Commission annually, before December 31 of the following year. As an exceptional measure claims referring to 1967 may be submitted up to December 31 of this year. The Commission will come to a

decision on claims after hearing the committee of the agricultural fund. No time limit is mentioned regarding the work of the Brussels authorities.

Little can be said yet about how this regulation will work out in practice. In West Germany, for instance, the provincial governments concerned with the administration of initial grants have not advised the food ministry as to the number of producer organisations to be assisted or the amount needed for grants. The West German government in its draft law last year deliberately chose the term "co-operative" in contrast to "organisation" since producer organisations can avail themselves of the intervention clause in the EEC fruit and vegetable marketing regulations and can thus directly influence price movements in a crisis whereas producer co-operatives would only regulate production and marketing. The right of producer organisations to intervene on the market is still morally rejected by the West German government. Doubts that because of this West Germany might have forfeited the right to claim repayments under this new regulation have been denied by the food ministry on the grounds that West German producer co-operatives fulfil the same requirements as producer organisations and moreover the intervention clause in the marketing regulations is only of an optional nature and not a compulsory condition.

\*

\*

\*

## TRADE

### Italy comes under Fire: Second Hand Imports Limited

The Italian government is under pressure from the Commission to hasten the removal of various advantages granted to Italian industry, which are incompatible with the customs union, established on July 1, 1968. Italy has shown a surprising tenacity in maintaining various forms of protection for special sectors of her economy despite constant efforts by the Commission to persuade her to adopt a "Community" approach.

One particular area in which the Commission has recently decided to act involves the issuing by the Italian authorities of import licences for second-hand equipment imported from other member states and in particular, imports of lorries, printing machinery and machine tools. In a number of cases, import licences have been refused for these goods. Last July the Commission sent a request to Rome asking for the reasons why such controls continued to be imposed, since they were incompatible with the free movement of goods within the Community. In its reply, the Italian government stated there were two reasons. Firstly, the Rome Treaty did not apply to second-hand goods and secondly it was necessary to protect Italian industry from buying out-dated equipment. The latter argument was based on the fact that other more developed countries within the EEC, and especially West Germany, replaced their existing plant at a fairly rapid rate and then exported the cast-off plant at low prices. There was therefore the danger that intending purchasers might be tempted by the cheapness of the plant on offer, without taking

into consideration the possible low productivity level and lack of an after-sales maintenance service. Furthermore safety considerations had to be borne in mind.

In the "reasoned opinion" which the Commission has now sent to the Italian government it is made quite clear that the reasons put forward by Rome are not thought to be justified. The Rome Treaty applies to both new and second-hand goods in the Commission's view, and the suggestion that imported second-hand goods might effect the country's productivity could equally apply to national goods.

Acting therefore under Article 169, the Commission has asked the Italian government to remedy the situation during April. If this is not done, the Commission may refer the matter to Court of Justice of the Communities.

\*

#### Discrimination against Brandy

In another area, involving Articles 95 and 169, the Commission has already taken the Italian government before the Court of Justice. In this case, the product in question is brandy imported from other countries of the Six.

Under Article 95 no "member state shall impose, directly or indirectly, on the products of other member states any internal charges of any kind in excess of those applied directly or indirectly to like domestic products". Italy has been charged with violating this article, as at present imported brandy is charged on the basis of a standard alcoholic content of 70%, while Italian brandy is taxed according to its real content.

It was on May 7, 1968 that the Commission acted under Article 169 and sent a "reasoned opinion" requesting the Italian government to eliminate the discrimination in question within a fixed period of time. Since no action has been taken the matter is now in the hands of the Court of Justice.

\*

#### Sardinian Lead and Zinc

The need to help the Sardinian lead and zinc mines, if only to provide employment in an island and industry faced with considerable economic difficulties, has resulted in Rome maintaining certain tariffs for both of these products. When the Italian government asked the Commission for an authorisation to maintain these tariffs after July 1, 1968 as the modernisation and rationalisation of the mines was not complete, permission was refused. It was felt in Brussels that such tariff protection did not really serve the aim of efficient regional development and that in any case it meant that Italian firms had to pay more than their competitors for lead and zinc.

Italy is therefore being asked to eliminate the remaining tariff duties on lead and zinc imports from other member countries, and lower tariffs to the rate established under the common external tariff for imports from third countries. If action is not taken to this end in the immediate future, the Commission will restart the procedure to be followed for violation of the Rome Treaty.

\*

#### Duty-Free Imports of Light Aircraft - Germany.

The West German government has proposed to the EEC Council that during the current year, CET duties to be paid on certain types of light aircraft should be suspended in toto. These are not built in West Germany, but are increasingly used within West Germany for trips to North Sea islands, for example Heligoland, where the area available for take-off and landing is somewhat limited.

The only aircraft which appears to fit the definition given by West Germany is the De Havilland Otter - DHC 6 or "Twin Otter". Although under the proposal CET duties will be suspended, it is hoped in West Germany that the Community's aircraft industry will set about building a suitable aircraft.

\*

\*

\*

## COMPETITION

### Company Agreements Need Liberal Treatment

A further call has recently been made for quicker progress towards encouraging cooperation between Community firms. This time it was the turn of the European Federation of Engineering and Metal-Working Industries, who in particular called for the elimination of the obstacles which Community legislation places in the way of agreements and cooperation between firms. In the engineering sector there is a large number of small firms who can ill afford to spend large sums on research, development and the marketing of products, and the Community should therefore encourage link-ups between such concerns, who could benefit from the resultant specialisation.

At present there are many firms in the different member states making broadly comparable products, in sectors where four or five producers would be quite sufficient, and this entails a certain amount of wasted effort. The Federation would like the Community to draw up "group authorisations" giving exemption for certain types of cooperation on deals from Community legislation aimed at controlling company agreements. It considers that the present situation is so fraught with uncertainty that firms are unwilling to make agreements which may later turn out to be illegal. Furthermore, the Federation considers that such agreements should be judged more on economic than on legal grounds.

E.C.S.C.

Threat of Over-Investment by Steel Industry.

As the EEC Commission feared, in last July's appraisal of the 1967 ECSC investment figures (see No 471, p.7), there is now becoming apparent in the steel industries of the Six a trend towards investment in new, efficient steelmaking processes that could well throw the balance of the market into complete disarray (see also Studies & Trends, No 477). The latest series of investment plans submitted by Community producers to the Commission, in conformity with Article 54 of the Paris Treaty, seem to confirm the Commission's fears. These plans concern hot and cold wide strip rolling mills, and to all intents and purposes their implementation would raise capacity for flat products far in excess of foreseeable requirements. The Dutch Socialist deputy Mr Oele, who last year prepared a very competent report to the European Parliament on the Community's steel industry (see No 460), in which the need to coordinate investment policy was stressed, has therefore submitted a parliamentary question to the Commission. In this, he calls upon the Commission to appraise member states' steel rationalisation and modernisation programmes published since last July, that is, since the Commission gave its last official findings on investments in the industry.

The fact is that investment capacity in the sector has expanded dramatically in these last few months due to favourable economic conditions and a healthy market both in the Community and in the world at large. Between January 1 and April 6 of this year in fact the Commission has received notice of some fifteen investment projects amounting in value to about \$ 350 million, which is more than half the value of the projects submitted during the whole of 1968. The Commission recently forwarded to member states' steel concerns a memorandum concerning the state of the market for thin sheet and hot-rolled wide strip (coil), in which it warned them against fresh investment in these products, as existing mills and those already scheduled for construction should be sufficient to cover requirements expected between now and 1972-3. Similar studies are at present being made of the market and production capacity for heavy sheet and rods, and chances are that in these sectors too there will be found a danger of over-investment, conducive to market imbalances which, unless some restraints are applied, will result in under-utilisation of plant and hence lower profitability, reflected on the market by supply surplus and thus untoward pressure on prices.

In its new objectives for steel, which the Commission is now in course of preparing, it is to clarify these issues for the whole of the steel industry. The Commission's experts are of the opinion that the steel market is currently exhibiting the most dangerous of development trends. Whereas actual consumption of steel is rising at a rate that during the next few months is unlikely to exceed 9%, sales - that is, incoming orders - are rising at almost double the speed. In other words, current pressure on prices for steel in the Community is inducing consumers and traders to build up stocks beyond technically justifiable levels. There are production sectors in which deliveries

are already delayed up to mid-summer, and this again is making users stockpile their supplies. However, there is a strong body of opinion that reckons the steel economy to be approaching its peak, and that some degree of recession will set in around autumn. When that happens, the consumers and traders in question, saddled with their emergency stocks, will begin to think twice about putting in further orders, and prices having settled at normal levels in the meantime, will suffer badly.

Investments in steel, however, tend to become facts quite some time after the initial decisions have been taken, such that it will be during the next slack period that the time for settlement of the latest plans will occur - when financial returns are at a low ebb, and when it may well not be possible to make adequate use of the new capacities created by the investments in question. It was this very time-lapse between the decision on, and carrying out of investment projects that lay behind the imbalance affecting the market in 1962 - 64, and it is well known how badly the market deteriorated at that time. The Commission, through the "reasoned opinions" that it offers on investment projects, and again when the consultative committee meets, does all it can to put producers on their guard against any relapse into such a situation, but unfortunately no powers are invested in it under the Treaty to make any really effective intervention, and its cautions go unheeded. The producers may well concur entirely with its findings on the overall situation in the Community, but all too often they fall into the very understandable error of assuming that competitors' plans are the ones to be rejected and their own retained.

\*

### Steel Research & Development

Reproduced below are figures concerning research and development in the ECSC steel sector, gleaned during last year's preparation of an OECD report on technology in the steel industries of member states of that organisation.

#### ECSC R & D Indicators in 1966

Country	Total R & D Manpower	% Manpower RD/ Total	R & D Expenditure \$ 1,000	Production Crude Steel 1,000 tons	R & D Expenditure per ton
Belgium	681	1.20	3,389	8,911	0.38
France	1,844	1.16	17,220	19,585	0.88
Germany	4,340	1.72	32,750	37,339	0.88
Italy	611	0.88	7,504	13,639	0.55
Netherlands	360	1.89	3,039	3,256	0.93

\* 1964 figures only

It should be pointed out that in the cases of Belgium, Germany and France above, the total R & D manpower figure relates only to such personnel employed by laboratories or other departments of the steel industry itself, and in some cases joint research establishments backed by the industry.

It is interesting to note that both the Community's major producers, France and Germany, have the same expenditure per ton of crude steel produced on R & D, although in the case of the former there has been considerable improvement since 1955, when the amount was only 48 cents. It is interesting also that the Dutch, although coming bottom of the list for production, and having scarcely more than half the research workers employed by Belgium, should nevertheless spend relatively more than any other ECSC country on R & D in steel. To put this in perspective, the sum per ton spent on research elsewhere in the OECD area is as follows: Sweden easily tops the list, at \$ 3.15 (production 4.764 m. tons), while Britain comes second with \$ 1.3, and both the U.S.A. and Japan are over the \$ 1 mark (respective 1966 production figures, 24.7, 119.3 and 41.2 million tons).

\*

\*

\*

## MONETARY MATTERS.

### Waiting for Action.

The urgent need for cooperation over monetary matters between members of the Community - and possibly other European countries - is increasingly recognised. Everyone concerned hopes that an arrangement to strengthen the links between the Six can be implemented before too long, for the danger of another monetary crisis before the year is out cannot be discounted. Nevertheless there is the problem of choosing an approach, and indeed a precise objective. The volatile nature of the money markets and the capacity for a single event to change the situation has been amply demonstrated during the past few years. After the shock given to the Community by last November's crisis, M. Barre, the Vice-President of the Commission responsible for monetary matters came up with a plan for instituting a "monetary mechanism" between the Six, which would involve two stages. To provide a first line of defence for a member of the Common Market in difficulty, a more or less automatic aid would be given by its partners, but the second stage would be conditional on the fulfilment of certain requirements. M. Barre's proposals, now known as the "Barre Memorandum" which have already been received by the EEC governments, will be discussed further during the quarterly meeting of the Common Market Finance Ministers in Mons on April 21.

The possibility of an international adjustment of currencies is still strongly fancied, as the disadvantages of unilateral action without the backing of other countries grow stronger. The likelihood of a simultaneous revaluation of the Dm and devaluation of the French franc followed by related currencies has not disappeared because



of the compromise measures taken during and after last November's Bonn conference. Although West German public opinion would probably allow no change in parity rates before the elections due in September, an adjustment may take place afterwards. Writing recently in the Bayern Kurier, the paper of the Bavarian Christian Socialists, of whom he is president, Herr Franz-Josef Strauss, West German Finance Minister, said, "It must be understood that a unilateral revaluation of the Dm is out of the question in the foreseeable future, but Bonn is ready to take part in a general review of parity rates, and draw the consequences".

Rising interest rates in Europe due largely to American monetary policy on the United States domestic market formed one of the main topics during last weekend's monthly meeting of the Central Bankers in Basle, and although some observers feel that the situation may begin to improve this is not yet certain. Nevertheless it does seem that action will be taken by European countries to counteract the effect of rising rates and the high demand for Euro-dollars. The Europeans have been pressurising the United States to take action to control domestic inflation but they are now worried as there has been a considerable outflow of short-term capital to the United States, in an effort by Americans to beat their own government's policies. Furthermore there is the fear that if the American economy were suddenly to improve or the possibility of a DM revaluation appeared more certain, a large part of this short-term capital might suddenly find its way back across the Atlantic, thus stimulating a fresh crisis.

\*

\*

\*

## INDUSTRY

### The De Bandt Plan for Textiles.

The Commission has just published a report on the Community's textile industry and its prospects for 1975, prepared by Professor Jacques de Bandt of the Centre d'Etudes Techniques Economiques Modernes in Paris, and aimed at providing member states with practical data on which to base the formulation of a common policy for the sector.

The objectives to be aimed at, according to the report, are a better use of the considerable resources tied up in the textile industry, while ensuring its international position. This means that factors governing competitive conditions, such as taxes, social and regional policies, as well as a common trading position vis-a-vis third countries, need to be harmonised. Although the two main objectives mentioned earlier are to some extent contradictory, they can be achieved and this depends on the competitive capacity shown by the EEC's textile industry. Professor de Bandt considers that increased competition from outside the Community can be allowed to the extent that measures taken within the EEC strengthen the competitive position of the industry. Such measures include elimination of marginal production units and equipment, and a better

use of resources by the industry.

"In its present state, the EEC's textile industry cannot play its part fully (in the international division of labour), for precisely the same reasons as it continues to show inadequate profitability - obsolete structure and outmoded ways of operating. But with the merciless, fundamental restructuring programme that anyway cannot be avoided, it could easily contribute as much as any other country or bloc".

In Professor de Bandt's view the structural reorganisation of the industry must cover both phasing-out and organisation, and be coordinated by two plans, one defining the objectives and the other the method of attaining those objectives. Under the heading of phasing-out are included production units and plant. With regard to the latter it is not just a question of wielding the axe for its own sake, but rather making a better use of the textile industry's capital assets. Since it is also a question of eliminating excess capacity, it does not matter in principle whether or not the plant set aside for this purpose has been amortised, although in fact most of this plant has been. Turning to the problem of production units, the report makes clear that there is a strong need to reduce the number of decision centres, whose varying reactions to the economic situation tend to make competition more difficult, while at the same time increasing the problems connected with investment in new techniques. A further reason for the elimination of production units is the need to obtain a more rational use of modern plant. Professor de Bandt says in his report, "It is important to stress that in fact the maintenance, rather than the destruction of excess plant, is the sign of outdated economic principles". The elimination of excess plant and production units could be borne by the industry itself if it were able to operate in a reasonably protected market, but if increased competition were allowed it would not be possible to impose all the burden of such changes on the efficient firms alone.

"There is an essential need for both a horizontal and vertical concentration of the industry's production structures" states the report, and "such a change would enable firms to strengthen their financial position, and reduce the risks they run by a diversification of interests." If this restructuring is to be worthwhile, there will have to be a redirection of investment within the industry. Today looms and spindles are still considered all-important, although there are far too many. What the industry requires is a much greater investment in production and stock control, handling and finishing techniques etc, as well as in organising production outlets and adapting products to consumers' requirements.

Professor de Bandt does not however believe that self-financing by the industry will enable it to become sufficiently competitive within the set time-limits. Any use of the capital markets means that the industry must operate at such a level as to get a reasonable return, in other words provide guarantees. But to fulfil such requirements, there is an urgent need for a policy establishing how the industry can be

improved and removing doubts over future trade policy in textiles. In fact this means a fixed calendar setting out the reshaping of the industry, and the liberalisation of trade in textile products.

There are three further areas for action in connection with the organisation of the industry's production structure. Firstly trade structures tend to be out-dated in an industry which is increasingly "inter-textile". Secondly the textile industry through its relationship with the clothing industry has a somewhat deformed picture of the market, even though the future of the textile industry is closely linked with trends in the clothing industry. A reorganisation of the latter should therefore be carried out at the same time. And finally the economic fluctuations which affect the sector, and have harmful repercussions on capital utilisation, stocks, prices and profits, mean that any attempt to establish a policy for the textile industry must take in ways and means of minimising such fluctuations.

Professor de Bandt concludes by stressing the importance of the social consequences of the labour problems created by the changes which will occur in the industry during the coming years. In his view three main points must be borne in consideration when an overall policy is being worked out: 1) trade liberalisation; 2) the restructuring of firms; 3) labour questions. He does not consider that the common commercial policy is an essential prerequisite, for although this policy is important, it is the reorganisation of the textile industry's own structures which counts, not protection from third countries.

\* \* \*

## US - EEC RELATIONS

### Trade Talks Begin

The first stage of the trade talks, which Mr. Maurice Stans, the U.S. Secretary of Commerce, is to hold in Europe during his two-week visit began in Brussels on Monday when he met M. Jean Francois-Deniau, the member of the Commission responsible for External Trade. His European trip, which forms part of the follow-up to President Nixon's visit to Europe in late February and early March, will also take him to the Hague, Bonn, Geneva, Milan, Rome, Paris and London.

After his meeting he told a press conference that there should be an "open table" discussion to analyse and discover ways of overcoming non-tariff barriers to trade. If his proposal is taken up, the United States, and the Common Market countries as well as Britain would be expected to take part, while it would be later extended to include all GATT member countries. This might eventually result in a "Nixon Round" dealing with non-tariff barriers to trade. Amongst other questions discussed with M. Deniau were the American Selling Price for chemical imports, the possible effects on US exports if the EEC maintains its plans for an extra levy on fats and oils, the problem of the US textile industry's future and imports of low-cost textiles, especially man-made fibres, as well as American criticisms concerning the EEC's added value tax system. Mr. Stans also suggested that there should be a GATT agreement on man-made fibres and woollen textiles similar to that which now exists for cotton.



## STUDIES AND TRENDS

The Development of the Free Gold Market

by Philippe de Weck

Director-General of the Union Bank of Switzerland, Zurich.

## Part I

Throughout history gold has either tinged or tainted everything surrounding it, and often fanned the flames of human passion. The climate provoked in Spain, when it was learned that the New World contained almost unlimited supplies of gold, and the controversial epics of the conquistadores which followed, bear witness to the compulsions it fosters. So do the Californian and Alaskan gold rushes, which inspired Charlie Chaplin's immortal film.

Today however epidemics of gold fever show different symptoms, as gold production is organised on industrial lines and is controlled by governments. When gold fever does occur it involves the gold market and the conditions of supply and demand. Since the international monetary system is based on gold, the market was for a long time under the tight control of the governments and central banks of the leading nations. But in 1968 their grip began to slip, and slowly a free gold market - with only a few restrictions - started to re-establish itself.

In this article I intend to discuss the development of the free market since its establishment and the way it operates, especially in Zurich. However one preliminary remark should be made as a particular form of gold fever is that which infects political economists. This centres on the role of gold in a modern economy. Like all academics, economic theorists have a tendency to dwell on abstract matters, to get carried away and even verge on fanaticism in support of their case. Such an attitude is common to many specialists, but with regard to gold it has drawbacks, since quarrels between experts become matters of public interest.

When the Battle of the Marne was fought, problems of strategy similarly became matters of public interest, and this gave birth to the term "arm-chair strategists". Today gold is one of the problems that has replaced military strategies for the arm-chair aficionado, even though it is doubtful whether any single person can digest all the different factors that come into play here.

Production and Demand: According to statistics, total world production since records were first started, amounts to some 70,000 tons. Over three-quarters of this amount has been mined during the present century, with over 50% since 1930. Such figures show that if industrial and organised gold-mining had not been introduced the evolution of the gold market would have been very different. But even all this gold has been "swallowed up".

Annual Western gold production is somewhere between 1,200 and 1,300 tons. It reached a maximum during 1966 and has been stagnating since then, although if the price of gold were increased to make it worthwhile to work mines which are at present uneconomic, production would probably rise. Russian gold production is an uncertain factor, but is one of those uncertainties which form part of life. The Soviet Union claims that her production is equal to that of South Africa, but various estimates - albeit arbitrary ones - suggest that her production is around half of South African output, in other words around 475 tons annually.

Turning to the demand for gold, we will first deal with industrial requirements, which in the strict sense of the term are fairly limited. Between 50 and 100 tons for dental work, with a further 50 to 100 tons used for industrial purposes, especially by the electronics industry. But it is hard to classify that used for jewellery as "industrial gold", for it means attempting to separate the attraction gold holds for women, from their desire to save.

During recent years some 800 to 900 tons of gold have been used annually for jewellery. It should be pointed out that the jewellery trade, because of the rapid increase in living standards in certain countries, has also grown at a stupendous pace during this period. Thus out of the free world's stagnating 1,300 tons of gold mined each year, up to 1,100 tons are used for non-monetary purposes.

There is another factor which remains constant; even when there are no monetary crises, there is a regular demand for gold as a form of investment in certain parts of the world. There are normally two reasons for this, political or monetary instability. Annual consumption by these "investors" accounts for something between 300 and 400 tons, going mainly to the Middle East, India, Pakistan, the Far East and South America.

When this latter factor is taken into consideration, it means that "normal" annual gold consumption stands at some 1,500 tons, rather higher than production output. If therefore an attempt is made to keep the price of gold stable, instead of operating according to supply and demand, some 100 to 200 tons of gold from monetary reserves will have to be sold each year. Of course this assumes that none of the gold put aside for saving comes on to the market again. Furthermore the demand for gold jewellery will add to the strain, since all the signs are that this demand continues to grow.

The figures we have so far quoted mean that a draft "profit and losses" account for gold can be prepared. But if an attempt is made to produce an overall summary, difficulties occur. Western gold reserves are known to total around 37,000 tons but it is virtually impossible to work out what is held by private interests. Some 7,000 tons is however known to have been acquired by private interests between 1956 and 1966, and purchases probably followed a fairly stable pattern. But during the gold fever epidemics which took

place in the autumn of 1967 and the spring of 1968 a further 3,000 tons disappeared into private hands, in a manner which quite clearly followed no set pattern.

This set the scene for the historic decision taken in Washington on March 17, 1968, when the countries forming the gold pool decided no longer to sell gold to private interests, whilst the price of gold would depend on the permanent confrontation of supply and demand on the resultant free market.

#### The establishment and operation of the free gold markets.

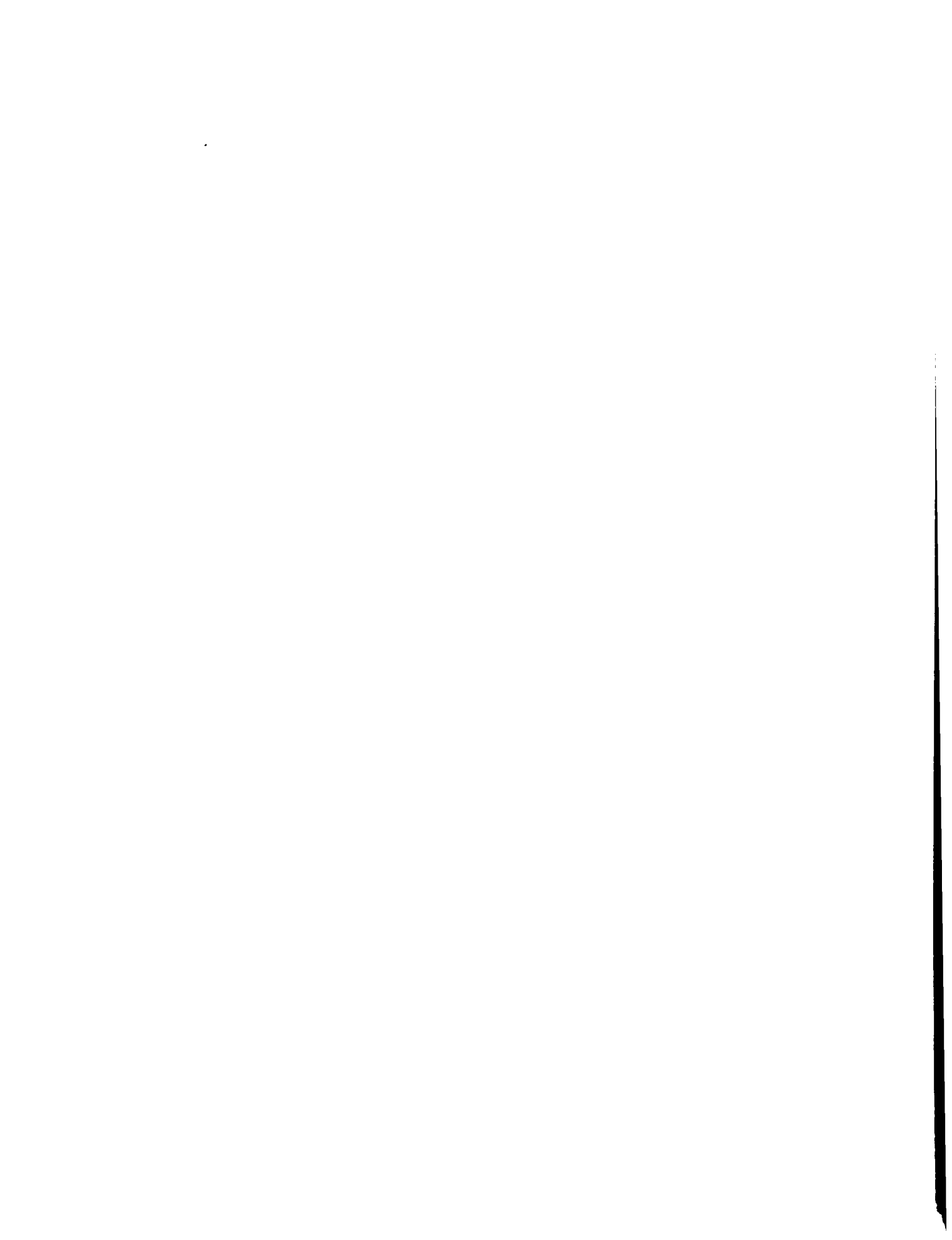
On Friday March 15, 1969 - with the exception of Paris, where an all-out attempt to play the golden ace continued - all the markets remained closed. Although the decision was only taken in Washington on Sunday March 17, it is well worth mentioning that the Zurich gold market was able to open on Monday March 18, as all the necessary changes and preparation were made during the night of March 17-18. The London market however remained closed for two weeks and did not reopen until April 1.

Three centres operated the free gold market, Zurich, London and Paris, although the latter has now dropped out following the reimposition of exchange controls in France during November 1968. From a technical standpoint there are differences in the way Paris, London and Zurich operate their markets. In Paris the price of gold is fixed once a day at 12.30 pm, whilst in London there are two fixings at 10.30 am and 3.30 pm. During the fixing, purchases and sales made at fixed prices are compensated, but outside the fixings, there are no set prices.

In Zurich the following system has always been in use: there is no real exchange but the market is open throughout the day. Set selling and purchase prices are first of all fixed, covering quantities up to half a ton, by the three leading banks who have a virtual monopoly. During the day prices are adjusted by the same three banks in order to reflect as far as possible market fluctuations and compensate as many sales and purchases as possible. An interesting feature of the Zurich market is that right from the start, the three leading banks - despite their strong rivalry within Switzerland - have been able to organise the market without any difficulty and solely on the basis of supply and demand, without competing with each other. This is one of the sources of the strength of the Swiss banking system: strong rivalry on the domestic market allied to total unity when there is a need to compete with foreign markets. Foreign banks often admire this unity of purpose, as in other countries such an approach is not common.

A further difference exists between the way in which the Paris and London markets operate when compared with Zurich. In the latter, when sudden price changes occur, the leading Swiss banks intervene and use their own gold reserves to soften the effect, whilst in Paris and London this is done on a much smaller scale.

- To Be Continued -





April 17, 1969.

A

EUROFLASH - HEADLINES

BELGIUM	PETROFINA 90-10 link with PLASTIC INDUSTRIES in subsidiary	K
BRITAIN	SKF seeks IRC approval for 15.6% stake in POLLARD bearings	G
CURACAO	NEDERHORST buys INTERNATIO out of ANTEM electrical plant	E
FRANCE	GLASURIT (BASF) buys stake in DUDOUEET paints, varnishes	D
GERMANY	Japanese SANYO forms calculators sales subsidiary	F
	John K. Davies forms 3rd EEC public works testgear firm	H
ITALY	PEUGEOT forms subsidiary, seeks stake in LANCIA (I.F.I.)	B
	UNITED SHOE MACHINERY forms Lire 31 m. subsidiary	D
	NEWAGE LYON (CHARTERHOUSE) forms subsidiary	E
LUXEMBOURG	RENAULT forms imports, new and second-hand car sales firm	B
NETHERLANDS	CHRYSLER cedes direct control of ROTTERDAM plant to SIMCA	B
	HAGEMEIJER to take over INDOLA domestic appliances	E
	Yugoslav HIDROMONTAZA and METALKA back INTERCIMEC plant	G
	CAPITAL FOOD INDUSTRIES takes over GERKENS CACAO	J
	BOVEMA (E.M.I.) record marketing link with IRAMAC	K
SINGAPORE	OLIVETTI's S.G.S. to set up electronic components plant	F
S. AFRICA	Four European banks (inc MIDLAND) form trade promotion firm	I
SWITZERLAND	DYSONA (DAVID BROWN) microwave ovens forms subsidiary	F

CONTENTS

Advertising	B	Food & Drink	J
Automobiles	B	Insurance	J
Building & Civil Engineering	C	Pharmaceuticals	J
Chemicals	D	Plastics	K
Consumer Goods	D	Printing & Publishing	K
Cosmetics	E	Textiles	L
Electrical Engineering	E	Trade	M
Electronics	F	Transport	M
Engineering & Metal	F		
Finance	I	Index to Main Companies Named	N

ADVERTISING
-------------

\*\* The Paris agency IMPACT SA (see No 469) has extended its foreign network by forming a new subsidiary in association with local interests in Madrid, under the name IMPACT IBERICA SA, with M. G. Tremble as general manager and MM. C. Boissaye and P. Lemonnier as directors.

M. Lemonnier heads the parent company, which in France holds shares in the Franco -American agency Lennen & Newall - Impact SA (see No 410), while as affiliates it has Life Impact Srl, Milan, and Contini - Sjøstedt - Impact AG, Bienne, Berne. The latter is itself represented in Milan by the associated H.C.F. - Brollmann Contini SpA (see No 473), controlled by the London group Horniblow Cox-Freeman Ltd (see No 498).

AUTOMOBILES
-------------

\*\* The Paris PEUGEOT SA group, which is extending its foreign interests (see Nos 446, 399 and 498), has now formed a Milan subsidiary named PEUGEOT AUTOMOBILI ITALIA SpA (capital Lire 50 m), with M. P. Peugeot as chairman and M. J. Bouverot as managing director. Furthermore, the group is currently negotiating for a stake in - and possible control of - the Turin LANCIA & CO SpA (see No 480).

Lancia ranks No 3 amongst Italian motor firms, after FIAT and ALFA ROMEO. It is a member of Sig Carlo Pesenti's group, the main holding company in which, ITAL-CEMENTI SpA, Bergamo, in 1968 negotiated the sale of Lancia to I.F.I. - ISTITUTO FINANZIARIO INDUSTRIALE SpA, Turin (the Agnelli family's holding company - see No 506). The chief subsidiaries of the French group, whose main industrial subsidiary, Automobiles Peugeot SA, in 1968 turned over F 3,370 million before tax, are Ste Belge des Automobiles Peugeot SA, Vilvorde, and Peugeot Automobiles Bruxelles SA in Belgium, and in West Germany Peugeot Automobiles Deutschland GmbH.

\*\* The CHRYSLER CORP, which has already made its Paris subsidiary STE DES AUTOMOBILES SIMCA SA (see No 507) responsible for the distribution of the group's vehicles within the Common Market, has now made over to the French company direct control of the Rotterdam assembly plant, (previously under CHRYLSER INTERNATIONAL SA, Geneva and London) and its Antwerp sales subsidiary CHRYSLER BENE-LUX NV.

The Rotterdam plant which is headed by Mr. van Reusel assembles Valiant, Belvedere, Barracuda, Dart and Coronet cars for the Common Market countries, Austria and Sweden. The Belgian subsidiary acts as the distributor in the Benelux countries for the whole range of the cars and lorries made by Chrysler and its London subsidiary, Rootes Motor Ltd (see No 443).

\*\* REGIE NATIONALE DES USINES RENAULT SA, Boulogne-Billancourt, Hauts-de-Seine (see No 507) has strengthened its new and second-hand car trading interests in the Benelux countries, through its Brussels subsidiary RENAULT BELGIQUE LUXEMBOURG SA (capital raised in March 1968 to Bf 50 m.), by forming an almost wholly-owned subsidiary in Luxembourg named RENAULT LUXEMBOURG SA (capital Lux f 10 m.).

Opera Mundi - Europe No 508

April 17, 1969

C

This has M. Roger Jumancourt as managing director (also in charge of Brussels subsidiary), and is to set up at least one agency in the Grand Duchy, with activities extending also to importing. Other token shareholders are directors and executives in Renault Nederland NV, Amsterdam, and in the Brussels subsidiary.

**BUILDING & CIVIL ENGINEERING**

\*\* The Dutch groups NV "GRONTMIJ" GRONDVERBETERING- & ONTGIN-  
NING MIJ, De Bilt (see No 327) and NATIONAL GRONDBEZIT NV, The Hague (see No 298)  
have agreed to pool their activities in town and country development within a 50-50 joint  
subsidiary now being formed under the name of GRONAMIJ NV (authorised capital Fl 5 m. -  
20% paid up).

Grontmij began as a property company, but has developed increasingly in the  
building sector, wherein its chief subsidiaries are Aaneming-Mij Panagro NV, Padox NV,  
Industriële Bouwmij Elementum NV, Nationale Industrie- Kantoor- & Winkelbouw NV,  
Centribau GmbH in West Germany etc. It has also diversified into metal construction and  
rigging with Nationale Stall- & Aluminiumindustrie NV, Premetaal NV, NV Sim v/h J.  
H. Duymelinck etc, and into services with Bureau H.A. Van Ameyde NV (in Brussels  
with Bureau Van Ameyde SA), NV Schiedlandse Crediet- & Depositobank, Westelijk  
Grondbezit NV, Zeeuws Grondbezit NV etc.

National Grondbezit has affiliates and subsidiaries in France (Sauveterre  
Sarl), Belgium (Belgroma SA), West Germany (Kulturtechnik GmbH), and at home: NV  
Mij Uitvoering Werken (M.U.W.), De Bilt; "Stagro" Grondstabilisatie NV, De Bilt;  
Nordined NV etc.

\*\* SOLETANCHE SA, Paris (headed by M. Ernest Ischy - hydraulic works,  
soil consolidation and civil engineering - see No 503) has taken a 50% stake in the formation  
of the civil engineering plant hire firm LOCASOL SA, Paris (capital F 100,000) and its own  
chairman and managing director M. Henri Giron is head of the new concern. Control is  
shared with IGEBE, Paris and two Swiss associate companies, HOLDING RODIO AG and  
SWISSBORING OVERSEAS AG, both based in Zurich (see No 487).

\*\* The Swedish building materials concern A/B SVENSKA ICOPALFABRIKEN,  
Malmö has formed a West German sales subsidiary called ICOPAL BAUSTOFFE GmbH,  
Werne-uber-Lippe (capital Dm 100,000) with Herr Bertil Olsson as manager.

The founder employs some 800 persons and its existing foreign interests include  
Fjeldhammer Brug A/S, Norway and Icopal A/B Oy, Finland. There is also a Turin tar  
fractions firm called Icopal Italia SpA, which was formed during 1961 by the Danish  
company A/S Jens Villadsens Fabriker, Copenhagen.

\* \* \*

CHEMICALS
-----------

\*\* GLASURIT WERKE WINKELMANN AG, Hamburg-Wandsberg (see No 492) which makes varnishes, paints, lacquers and chemical surfacing materials has furthered the expansion of its foreign interests by acquiring a stake in the French paints and varnish firm ETS DUDOUET SA, Gonesse, Val d'Oise (capital 500,000). M. Gaston Dudouet will remain as president.

The West German company (capital Dm 48 m) is the wholly-owned subsidiary of B.A.S.F. - Badische Anilin & Soda-Fabrik AG, Ludwigshafen (see No 505). With some 3,500 employees, it has an annual turnover exceeding Dm 180 million. Outside West Germany there are two wholly-owned subsidiaries, Glasurit Italiana Srl, Rome, and Glasurit (G.B.) Ltd, Slough, Bucks, and it also has a stake in Glasurit-Combilaca S.A. Industrias de Tintas, Sao Bernardo do Campo.

\*\* The rationalisation of the Belgian interests (see No 489) of the Paris chemical group ROUSSELOT-KUHLMANN SA (see No 505) has now taken place with ROUSSELOT SA, Forest-Brussels absorbing GELATINES, HASSELT & VILVORDE SA, Brussels (capital Bf 50 m). The former has been renamed ROUSSELOT KUHLMANN BENELUX SA and its capital has been increased to Bf 180 million.

\*\* The U.S.M. CORP, Boston, Massachusetts (formerly UNITED SHOE MACHINERY CORP - see No 382) which makes equipment, machinery and supplies for the copper industry, has strengthened its interests in the chemicals, glues and adhesives sector by forming a direct Milan subsidiary called U.S.M. CHEMICAL SpA (capital Lire 31 m) under Mr. Horst D. Laqua.

The group has a long established subsidiary, United Shoe Machinery Co D'Italia, Bollate, Milan (see No 339) known for its "Dynasert" and "Powasert" machinery, its "Samco" presses, and "Thermogrip" thermoplastic adhesives for use in the card and packaging industries.

CONSUMER GOODS
----------------

\*\* MEUBLES M.D. SA, Paris (unit furniture, shelving and office fittings - see No 429) has formed a sales subsidiary in Milan, MEUBLES M.D. INTERNATIONAL Srl (capital Lire 900,000) with its own president, M. E.J. Maurial, as its sole director.

The parent company is known throughout the Common Market for its "M.D.", "Gaston Poisson" (Brussels sales subsidiary), "Alcora" (formerly Multiforme Sarl, Paris) and "Oscar" furniture ranges. The last brand was acquired in 1967, when it took over Ste pour l'Exploitation des Procédes Rozaffy SA.

\*

\*

\*

April 17, 1969,

E

COSMETICS

\*\* The New York beauty preparations concern, GERMAINE MONTEIL COSMETIQUES CORP, which was recently taken over by the London BATS group - BRITISH AMERICAN TOBACCO CO LTD, has reorganised its EEC trading network (see No 496) by forming a sales company at Levallois, Hauts-de-Seine named STE GERMAINE MONTEIL SA (second of that name), with F 100,000 capital and Mme. A. Djabadary in charge.

The first subsidiary to have this name was reduced to branch status by the American firm in 1964. This is now run by M. J. de Lestrang in Paris, have formerly has F 532,000 capital and assets of F 2.35 million. Its other European branches, in Munich, Vienna, London and Fribourg, have all similarly been made up to subsidiaries.

ELECTRICAL ENGINEERING

\*\* NEWAGE ITALIA Srl (capital Lire 900,000) has just been formed in Milan with Mr. Eric J. Haigh of Timperley, Cheshire in charge to represent NEWAGE LYON LTD, Stamford, Lincs, member of the CHARTERHOUSE GROUP LTD, London (see No 506), and the result of the 1965 merger of Newage (Manchester) Ltd with Arthur Lyon & Co (Engineers) Ltd.

The Stamford concern is under the direct control of Newage Engineers Ltd, Salford, Lancs, and specialises in alternators of the 150 - 1,000 Kva range, "Thames" farm and industrial pumps, Newage BMC industrial and marine engines, thermodynamic test-gear, welding equipment etc.

\*\* The Rotterdam group INTERNATIONALE CREDIET- & HANDELS-VEREENIGING "ROTTERDAM" - INTERNATIO NV (see No 500) has sold its 66% stake in the electrical installations concern NV ANTILLIAANSE ELECTROTECHNISCHE MIJ (ANTEM), Willemstad, Curacao (capital DWI Fl 800,000) to its partner in the venture, the Gouda group VERENIGDE BEDRIJVEN NEDERHORST NV (see No 506).

Internatio is making this move in pursuit of the reorganisation that has already led it to sell Diapharm NV, Brussels, and Trifax NV Bakkerijgrondstoffen, Weesp to the Leeuwarden cooperative Cooperatieve Condensfabriek "Friesland", and to wind up its Milan affiliate Technolit SpA.

\*\* The Amsterdam group HAGEMEIJER & CO'S HANDELMIJ NV (see No 494) intends to take control of the Rijswijk group INDOLA NV (formerly INDOHEEM NV, The Hague - see No 501) and to raise its capital from Fl 12.1 million to nearly Fl 15.6 million.

With a capital of Fl 20.77 million Indola heads a wide range of companies manufacturing domestic appliances, electric tools, ventilators, electric motors, chemical, cosmetic and pharmaceutical products, and the move will strengthen Hagemeyer's position in the electrotechnical goods sector. Hagemeyer recently gained control of the Brussels manufacturer of domestic appliances ELECTRO-KALORIK SA (irons, mixers, toasters, coffee-grinders) and of Metalam SA, responsible for sales.

\*\* The West German control and measuring instrument concern NOVOTECHNIK KG OFFTERDINGER & CO, Ruit, Württemberg has backed the formation in Vienna of the sales company INTERMADOX GmbH (capital Sch 100,000) whose managers are Herren Volker Allgoewer, Ruit and Hans Bachmann, Zug .

ELECTRONICS
-------------

\*\* The British DYSONA INDUSTRIES LTD, Wokingham, Berks (microwave ovens) has formed a Swiss export subsidiary DYSONA INDUSTRIES AG, Zug to cover West Germany, Scandinavia and Switzerland.

The founder is a member of the DAVID BROWN CORP LTD, Huddersfield, Yorkshire (see No 462) and it already has a direct Zug subsidiary, David Brown & Söhne AG (capital Sf 100,000) which was formed during January 1963.

\*\* SANYO ELECTRIC CO LTD (see No 265) the Japanese electrical and electronics group based in Osaka has formed a Munich sales subsidiary to handle its electronic calculators, SANYO ELEKTRONIK-RECHNER DEUTSCHLAND GmbH, whose managers are Herren Friedrich and Michael Hornblock.

The founder (capital Yen 20.6 m) already has a European subsidiary in Switzerland, Sanyo SA, Chiasso, Ticino which was formed during 1962 with a capital of Sf 50,000. It ranks amongst the top 35 Japanese firms on turnover (Yen 129,000 million).

\*\* The Italian electronics firm SEMEL-STA EUROPEA MATERIALI ELETTRONICI SpA, Treszo sul Adda (president Mr. Richard F. Wehrin and run by Signor G.P. Bolognesi) has raised its capital to Lire 255 million after the takeover of another firm in the same sector, STEREL PAK Srl, Trezzo.

\*\* S.G.S.-STE GENERALE SEMICONDUCTTORI SpA, Agrate Brianza (see No 505) is to begin making electronic components in Singapore during September 1969 in a pilot plant. This forms part of the Italian group's foreign expansion, and production in a full scale plant is scheduled to start in late 1970.

S.G.S. (10% of the European market - 500 employees) is controlled by Ing. C. Olivetti & Co SpA, Ivrea and affiliated to Telettra SpA, Vermicate, Milano (see No 481). It has foreign manufacturing subsidiaries in France (Rennes), West Germany (Wasserburg, Bavaria), Britain (Falkirk, Scotland) and Sweden (Marsata).

ENGINEERING & METAL
---------------------

\*\* ANC. ETS. LAPIPE & WITTMANN Sarl, Paris (capital F 2,047 m) intends to re-organise its activities by making over its machinery and equipment used for metal cutting and stamping (assets valued at F 670,000) to a company now being formed as USINES WITTMANN SA, Argenteuil, Val d'Oise.

\*\* When in 1964 (see No 245) an agreement was signed giving the Swedish group S.K.F. -SVENSKA KULLAGER FABRIKEN, Gothenburg (see No 507) majority control of RIV OFFICINE DI VILLAR PEROSA SpA (now RIV-SKF OFFICINE DI VILLAR PEROSA SpA) it was envisaged that a holding company might be formed to manage the Italian concern. This move has now been carried out with the formation of CASIT NV, Amsterdam (Fl 400,000) under Mr. Gunnar Glimstedt, Gothenburg. It is a 75% stake of SKF HOLDING MIJ NV, Amsterdam with the remainder held by the Swiss company INTERNATIONALE FIAT HOLDING SA, Lugano, owned by the Agnelli family (which controls the Fiat SpA group, Turin) and a shareholder in RIV-SKF, as these two companies have made over their stakes in RIV-SKF.

The Swedish group has also agreed to pay £ 1.6 million for a 15.6 % stake in the British company, POLLARD BALL & ROLLER BEARING CO LTD (see No 478). If the deal goes through, for the INDUSTRIAL REORGANISATION CORP- I.R.C. is attempting to reshape the British ball bearing industry, Pollard will be able to draw on the Swedish group's technical facilities and overseas outlets. Pollard, which has two French subsidiaries, Pollard Roulement SA, Paris and White House Industries France, Asnieres, Hauts-de-Seine, is building two new factories at Meaux, Seine-et-Marne due to become operational before the end of 1969. It has other subsidiaries in Düsseldorf, Vienna, the United States and Canada.

S.K.F., the world's largest manufacturing of ball bearings has a British subsidiary, The Skefco Ball Bearing Co Ltd (factories in Luton, Sundon and Irvine) and a few months ago it began talks over a link with the leading British group in the sector, Ransome & Marles Bearing Co Ltd, Newark, Notts. This was defeated as a result of moves by the I.R.C., which then made a bid for Brown Bayley Ltd, Sheffield whose ball bearing subsidiary, Hoffmann Manufacturing Co Ltd, Chelmsford, Essex will link with Ransome & Marles. As a result of the SKF-Pollard decision, a counter-move by the IRC with regard to Pollard cannot be ruled out.

\*\* The American manufacturer of metal products and equipment KASON HARDWARD CORP, New York (headed by Mr. Abraham J. Katz) has formed its first Common Market subsidiary in Italy. Called KASON EUROPA SpA, Cernusco Sul Navigo, Milan (capital Lire 20 m), the new concern is run by Sig Antonio Staiano, a minority shareholder, and Sig Rinaldo L. Bianchi.

\*\* The Rotterdam concern INTERCIMEC HOLLAND (INTERNATIONAL CIVIL MECHANICAL CONSTRUCTION & PIPELINE SERVICES) NV, which was formed in August 1968 to build and assemble chemical, petrochemical and petroleum plants, power stations, pipelines etc, has gained three new shareholders in addition to its founder, NV v/h H. TROOST, Rotterdam: these are two Yugoslav concerns HIDROMONTAZA, Maribor, and METALKA, Ljubljana, which will have a total interest amounting to 33.3% and the Dutch company BOUW- & AANNEMINGSBEDRIJF VAN OMME & DE GROOT NV, Rotterdam, which also holds a similar interest. Intercimec operates in the Benelux countries, West Germany, France and Britain, and operates elsewhere in the world through its Zurich subsidiary Intercimec AG, International Division.

H

April 17, 1969.

\*\* The group of European companies headed by the British industrialist Mr. John K. Davies has extended its interests with the formation of TERRATEST MESS- & PRUEGERATE GmbH, Buchschlag, Hesse (capital Dm 20,000). This will sell testing equipment for civil engineering works, as do its sister companies in Paris (Terratest Sarl - formed in 1966 with a capital of F 20,000) and in Lausanne (Terratest SA - formed in 1966 with a capital of Sf 50,000).

Mr. Davies also heads the Paris company Aptest SA, which specialises in agricultural breeding plant, and the Swiss company Expertec SA, which was formed during September 1964 with a capital of Sf 50,000 to carry out geological surveys. He also runs the Madrid company Expertec SA.

\*\* The Dutch metal trading company TWENTSCHE METAALHANDEL NV, Hengelo (50% affiliate of the plumbing concern G. DIKKERS & CO NV, Hengelo - see No 483) has formed an Amsterdam management subsidiary called RIPAS NV (authorised capital Fl 2 m - 90% issued).

A few months ago, Dikkers became a 51% interest of the Geneva company Rockwell Audco SA (a joint subsidiary of the British group SERCK LTD, Birmingham and the American group ROCKWELL MANUFACTURING CO, Pittsburgh, Pennsylvania) after the defeat of a takeover bid by the American group Crane Co, Chicago, Illinois, through its Dutch subsidiary Crane Nederland NV, Deventer (see No 388).

\*\* The cooperation agreement covering the manufacture and repair of civil engineering and marine equipment signed between SCHEEPSWERF & MACHINEFABRIEK VAHALI NV, Gendt and two subsidiaries of the VERENIGDE BEDRIJVEN DE GROOT NV, Bloemendaal group (see No 488), SCHEEPSWERF "MAASDOK", Maastricht and NV BAAN HOFMAN MACHINEFABRIEK, Gorinchem, has resulted in the formation of two joint subsidiaries. The first is called NV ADVIES- & ONTWERP-BUREAU VOOR SCHEEPS- & BAGGERBOUW and will carry out technical development of new equipment, whilst the other NV SCHEEPS- & BAGGERBOUW COMPAGNIE will co-ordinate the fulfilling of contracts.

\*\* Two West German companies SCHMIEDAG AG, Hagen, and EISENWERK ROTHE ERDE GmbH, Dortmund, have linked to form a sales company in Vienna handling forklift trucks and civil engineering equipment. Called ROTHE ERDE-SCHMIEDAG GmbH (capital Sch 250,000), the new company will be managed by Herr Wilhelm Freitag, Dortmund. Both founders have a capital of Dm 20 million and are wholly-owned subsidiaries of the Dortmund steel group Hoesch AG (see No 505).

The first has an annual turnover of Dm 80 million and employs some 2,000 persons, while the other has a turnover of around Dm 100 million with 1,400 employees. Their joint British licensee is Dobson Hardwick Ltd, New Basford, Nottingham (see No 449).

\*

\*

\*



## FINANCE

\*\* CIE BELGE DES MINES, MINERAIS & METAUX SA, Brussels (see No 485) has modified its French interests by selling its minority shareholding in CIE DU MIDI SA and by making over its other minority interest which it holds in LA PATERNELLE SA. The assets it has received in return for these moves will enable it to increase its stake in the Paris road and shipping transport concern S.A.G.A. - SA DE GERANCE & D'ARMEMENT (see No 497).

The latter is a member of the ROTHSCHILD SA group and its main centres of activity are in France and Belgium - through its Antwerp subsidiary Jokelson & Handtsaem NV (see No 446) - and along the West coast of Africa.

\*\* Some 50 Italian banks headed by ISTITUTO CENTRALE DELLE BANCHE POPOLARE ITALIANE, Rome, BANCA CENTRALE DE CREDITO POPOLARE-CENTROBANCA Milan, BANCA POPOLARE DI BERGAMO, Bergamo and BANCO POPOLARE DI MILANO, Milan, have formed an Italian leasing company to deal in both plant and property. Called STA ITALIANA POPOLARE PER IL LEASING-ITALEASE SpA (initial capital Lire 100 m). the new company has Sig A. Caccia as president.

\*\* MIDLAND BANK LTD, London (see No 503), DEUTSCHE BANK AG, Frankfurt (see No 507), AMSTERDAM-ROTTERDAM BANK NV, Amsterdam (see No 505) and STE GENERALE DE BANQUE SA, Brussels (see No 494 - a member of the Ste Generale de Belgique group) have decided to open a joint South African office in Johannesburg under the name of EUROPEAN BANKS INTERNATIONAL. This will not provide any direct banking services but is intended to promote trade between South Africa, Europe and the United States, and its directors are Messrs P.F. Gryer and C.P. Lubotta.

\*\* CIE DE PARTICIPATION & DE GESTION - C.O.P.A.G. Sarl, Paris, a subsidiary of STE D'ORGANISATION, DE CONTROLE, D'ETUDE & DE PARTICIPATIONS Sarl, Paris, has formed two subsidiaries on its premises, each with a capital of F 20,000 and with M. Francois Tavernier as manager.

The first is called STE DE DISTRIBUTION DE VALEURS MOBILIERES & IMMOBILIERES - S.O.D.I.V.A. Sarl and will launch and promote investments and saving plans. The second, STE DE GESTION & DE FINANCEMENT IMMOBILIER - G.E.F.I.M. Sarl, will manage both French and foreign property, commercial and manufacturing companies, and also provide technical assistance.

\*\* PARIBAS TRUST CO SA, Luxembourg (the subsidiary of BANQUE DE PARIS & DES PAYS-BAS SA, Paris - see No 507) controls the newly-formed securities issuing company SECAP SA - STE D'EMISSION DE CERTIFICATS DU PORTEUR, Luxembourg (capital Lux F 5 m), whose first directors are Messrs P. Weber, C. Deschenaux, E. Lamboray and G. de Cordes.

FOOD & DRINK
--------------

\*\* STE GENERALE DES EAUX MINERALES DE VITTEL, Vosges, which is affiliated to the Paris foods group GEORGES LESIEUR & SES FILS SA, Paris (see No 504), with which it also has a cooperation agreement, intends to absorb its own subsidiary STE THERMALE DES ABATILLES SA, Arcachon, Gironde (capital F 327, 000) and then raise its capital to F 32.83 million.

\*\* The interests of the French group RICARD SA, Paris (1968 sales exceeded F 402.5 m - see No 497) have been extended in the tea and infusions sector following its new subsidiary MOKAREX SA, Epinay-sur-Seine, gaining control of the Marseilles company STE DES THES DE L'ELEPHANT SA (see No 407). L'Elephant (capital F 2.15 m), which is headed by M. R. Digonnet, the son of the founder, M. Lazare Digonnet (in 1892), itself took over two infusion processing and sales concerns in 1967: Ste Nouvelle des Ets Emile Dammann SA (formed in 1830) and Cie Coloniale SA (formed in 1848). A few months previously it had absorbed its own subsidiary Cie Commerciale Unie des Thes SA, Paris.

\*\* The Chicago food group CARITAL FOOD INDUSTRIES INC has gained control of a Dutch concern in the same sector GERKENS CACAO INDUSTRIE NV, Wormer and Zaandam (cocoa, cocoa butter and chocolate) and its associate company GERKENS HANDELMIJ NV.

During the last financial year, the American group had a turnover of \$ 21.1 million. It already has a Dutch licensee of its subsidiary Green Spot Inc making its fruit juices, the brewery Bierbrouwerij de Drie Hoefijzers NV, Breda (a member of the London group Allied Breweries Ltd - see No 504).

INSURANCE
-----------

\*\* A link-up between Dutch fire insurance companies has formed an Amsterdam insurance advice concern called AMPEC NV (authorised capital Fl 250, 000 - 20% issued), which is headed by Mr. N.G.L. Th. Sanders. The companies involved are DE COMPAGNIE VAN ASSURADEUREN NV, The Hague (the A.G.O. group is negotiating for control - see No 507), ALGEMEENE FRIESCHE SCHADEVERZEKERING-MIJ NV, Leeuwarden (see No 493), NV NOORDHOLLANDSCHE VAN 1816, ALGEMENE VERZEKERINGS-MIJ., Oud Karspel, NV EUROPEESCHE GOEDEREN & REISBAGAGE-VERZEKERINGMIJ, and NV ALGEMEENE VERZEKERING MIJ. PROVIDENTIA, Amsterdam.

PHARMACEUTICALS
-----------------

\*\* The Brussels company STE POUR LE COMMERCE & L'INDUSTRIE PHARMACEUTIQUE - P.C.B. SA, (manufacturer of cosmetic and pharmaceutical products and wholesaling - see No 474) has formed an Antwerp subsidiary which will wholesale goods,

April 17, 1969

K

called ANTWERPSE FARMACEUTISCHE DISTRIBUTIE AFAR NV (capital Bf 3 m), which has M. Joseph de Meester as president.

The group's recent moves include the taking of a 50% stake in the formation of Naluxphar SA, Namur, as well as the acquisition of a large interest in the medical equipment concern Deckers SA, Louvain.

PLASTICS

\*\* A link-up between Belgian and American interests covering the preparation and processing of plastic materials into raw materials, semi-manufactured and manufactured products, has resulted in the formation of INDUSTRIE DE TRANSFORMATION DE MATERIAUX DE SYNTHÈSE - SYNFINA SA, Manage (capital Bf 10 m).

The new company with Mr. John Weekers as chairman is the 90% subsidiary of the Brussels group PETROFINA SA (see No 504). 89.5% is held directly and the remainder through subsidiaries and affiliate companies, Etmofina SA, Fina Armement SA, Labofina SA, Fina SA and SA Belge de Ravitaillement Automobile - S.A.B.R.A., all of which are based in Brussels. The other 10% is held by the American company, PLASTIC INDUSTRIES INC, Athens, Tennessee.

PRINTING & PUBLISHING

\*\* The American DAVIES PUBLISHING CO, Chicago, Illinois, which is known for its books and periodicals on the food industry, especially the cold and prepared meat sector, has formed a West German subsidiary DAVIES PUBLISHING GmbH, Rossdorf, Darmstadt (capital Dm 20,000) with Herr Anton Wildenauer as manager.

\*\* The Dutch record company VERKOOPMIJ. BOVEMA, Heemstede (see No 497) a member of the British group E.M.I. - ELECTRIC & MUSICAL INDUSTRIES LTD, Hayes, Middlesex (see No 504) has signed an agreement with another concern in the same sector, IRAMAC NV, Laren, under which it will distribute "Iramac" classical and "Relax" pop records, as well as continuing to act for several foreign record companies. Outside the Netherlands, all of Iramac's records will be sold by E.M.I. with the exception of France, where there is a sister company, Iramac France, Sarl, Issy-les-Moulineaux, Hauts-de-Seine.

\*\* The Brussels company TERRES & DOMAINES SA (see No 505) which is also a member of the Belgian property group based on CONSORTIUM DE PARKINGS SA (headed by M. Charles Pauw) has taken a 40% stake in the formation of a printing and publishing concern called IMPACT SA, Brussels (capital Bf 4 m). A 40% stake is also held by IMMOBILIERE DE NAMUR SA, Namur, which was formerly known as Pumaco SA, Brussels.

With M. Jacques Lacrosse as president, the new concern has M. Jean Perini, a 40% shareholder, as managing director, and he has made over the assets of the monthly business magazine "Impact".

TEXTILES
----------

\*\* The New York group GLEN ALDEN CORP, which late in 1968 merged with the group STANLEY WARNER CORP, is to rationalise its Paris interests by merging its affiliate PLAYTEX FRANCE SA (through International Latex Corp, Dover, Delaware) with ETS ALTO SA (formerly at Bourgoin-Jallieu, Isere), which will be the surviving company.

Playtex France (capital F 4 m.; Gross assets of F 8.35 m.) like Alto specialises in hosiery, baby linen, brassieres and elastic fabrics.

\*\* Sig Mario Gomasca, Milan will represent DE ANGELI FRUI SpA, Milan (see No 473) on the board of S.A.T.B. - SA TEXTILES & BRODERIES SA, Paris (embroidery and non-proof fabrics - capital F 600,000). With Mr. J.P. Hurel as president, this has manufacturing interests at Bohain, Aisne.

The Milan company, which is affiliated to the BASTOGI - Sta Italiana per le Strade Ferrate Meridionali SpA, Florence group (see No 494), acquired a large shareholding during 1968 in Cotonificio Cantoni SpA, Milan in return for making over its manufacturing interests.

\*\* LAINIERE DE SCLESSIN SA, Sclessin, Ougree (owned by the Belgian family Bergasse de Dhaem) has raised from F 10,000 to F 100,000 the capital of its Tourcoing subsidiary STE FRANCAISE LAINIERE DE SCLESSIN Sarl, which is managed by M. J.J. Folliot, in order to back its expansion. The Belgian company has a sales subsidiary Ste Commerciale Lainiere de Sclessin (formerly Lainiere de Sterrebeek - Firme de Smeth & Cie), which in turn controls Sterlaine SA, Sclessin.

\*\* The re-organisation of the Amsterdam ready-made clothing firm NV CONFECTIE INDUSTRIE & HANDELSONDERNEMING JESAJA LISSAUER & ZONEN (headed by Mr. Hijman Lissauer) into a holding company called NV BELEGGINGSMIJ, LISSAUER has resulted in its manufacturing interests being made over to a new company called NV CONFECTIE INDUSTRIE & HANDELSONDERNEMING JESAJA LISSAUER & ZONEN (authorised capital Fl 1.5 m - 20% issued).

\*\* The West German ready-to-wear firm BEKLEIDUNGSWERKE ERWIN HUCKE oHG, Nettelstedt, Westphalia, has taken over another firm in the same sector, HERRENKLEIDERFABRIK R. BUSCH & CO KG, Osnabrück.

The former, which employs some 2,500 persons, belongs to Herren Uwe and Hans Jürgen Hucke, and during October 1967 (see No 434) it gained control of another company in the same sector, Overmeyer KG Knabenkleiderfabrik, Osnabrück, which has 800 employees

April 17, 1969.

M

\*\* The Dutch making-up concern CONFECTIE-ATELIERS CHAS MACINTOSH NV, Stein (see No 498) plans to take control of the Amsterdam raincoats and sportswear concern HOLLANDIA KATTENBURG NV ("Falcon" and "Big Ben" trademarks - see No 325), which has been in financial difficulties for some years.

Kattenburg (500 on payroll) will in particular strengthen the foreign interests of its new owner, with subsidiaries or affiliates in Belgium (Falcon SA, Etterbeek, Brussels), Italy (Falcon Italiana SpA, Rome), France (Falcon France SA), West Germany (Falcon Mäntel GmbH, Düsseldorf), Switzerland, Britain, Norway etc. In the Netherlands there are also Regenkledingfabriek Brabant NV, Tilburg; NV Reklefa, Verkoopmij, Falcon Nederland NV, Velatex NV etc.

TRADE

\*\* The American trade promotion and organisation consultancy concern E.F. MACDONALD CO, Dayton, Ohio (see No 453) has decided to wind up its Rome subsidiary MINIMAX SUPERMARKETS SpA (see No 388).

This concern was taken over in 1965 (see No 348), and in 1967 opened its fourth supermarket in Rome. Sig Francesco Manenco will supervise the liquidation.

TRANSPORT

\*\* The Dutch road transport concern VERENIDIGE EXPEDITIE-BEDRIJVEN v/h ADRIAAN KOOIMAN NV, Beverwijk (150 employees) has been taken over by the PAKHOED HOLDING NV, The Hague, group (see No 506). This was already represented in the sector by Rutges Internationale Expeditie Gouda NV, Gouda (see No 424), which it controls through Pakhuismeesteren NV, Rotterdam.

\*\* The West German group GOETZ AG, Ravensburg, which during 1968 (see No 478) sold a large part of its interests in the textile sector to the American group GENESCO CO INC, Nashville, Tennessee, has now sold off the air freight company GERMANAIR GmbH, Frankfurt (formerly Sudwest-Flug GmbH, Baden-Baden - see No 450). This latter, which has a capital of Dm 6 million, is now wholly-owned by the Frankfurt company TRANSPORTFLUG GmbH, whose capital will be raised in the near future from Dm 200,000 to Dm 1.4 million.

## INDES TO MAIN COMPANIES NAMED

Abatilles, Ste Thermale	J	G.E.F.I.M.	I
Afar	J	Gelatines Hasselt & Vilvorde	D
Alto, Ets	L	Generale de Banque	I
Ampec	J	Genesco	M
Amsterdam-Rotterdam Bank	I	Gerkens Cacao	J
de Angeli Frui	L	Germaine Monteil	E
Antem-Antilliaanse Electrotechnische	E	Germanair	M
Assuradeuren, Compagnie	J	Glasurit	D
		Glen Alden	L
B.A.S.F.	D	Goetz	M
Baan Hofman	H	Grontmij	C
Banca Popolare di Bergamo	I	de Groot, Verenigde Bedrijven	H
Banco Popolare di Milano	I		
Banque de Paris & des Pays-Bas	I	Hagemeijer	E
Bastogi	L	Hidromontaza, Maribor	G
Belge des Mines	I	Hoesch	H
Bovema	K	Hucke, Erwin	L
British American Tobacco	E		
Brown, David	F	I.R.C.	G
Busch & Co	L	Icopal	C
		Igebe	C
C.O.P.A.G.	I	Impact	B,K
Capital Food Industries	J	Indola	E
Casit	G	Intercimec	G
Centrobanca	I	Intermax	F
Charterhouse Group	E	Internatio	E
Chrysler	B	Iramac	K
Consortium de Parkings	K	Istituto Centrale delle Banche Popolare	I
		Italease	I
Davies Publishing	K		
Deutsche Bank	I	Jesaia	L
Dijkers, G.	H		
Dudouet	D	Kason Hardware	G
Dysona	F	Kattenburg, Hollandia	M
		Kooiman, Adriaan	M
E.M.I.	K		
l'Elephant, Thes	J	Lancia	B
European Banks International	I	Lapide & Wittmann	F
Europeesche Goederen & Reisbagage	J	Lesieur, Georges	J
		Lissauer & Zonen	L
Fiat	G	Locasol	C
Friesche Schadeverzekering	J		

April 17, 1969.			O
M.D. Meubles	D	Schmiedag	H
Maasdok, Scheepswerf	H	Sclessin, Lainiere	L
Macdonald, E.F.	M	Secap	I
Macintosh, Chas	M	Semel	F
Metalka, Ljubljana	G	Serck	H
Midi, Cie du	I	Simca	B
Midland Bank	I	Soletanche	C
Minimax Supermarkets	M	Stanley Warner Corp	L
Mokarex	J	Swissboring Overseas	C
		Synfina	K
Namur, Immobiliere de	K		
National Grondbezit	C	Terratest	H
Nederhorst	E	Terres & Domaines	K
Newage Lyon	E	Transportflug	M
		Troost	G
Offterdinger, Novotechnik	F	Twentsche Metaalhandel	H
Olivetti	F		
		U.S.M. - United Shoe Machinery	D
P.C.B.	J		
Pakhoed, Holding	M	Vahali, Scheepswerf	H
Paribas Trust	I	Van Omme & de Groot	G
la Paternelle	I	Vittel, Eaux Minerales	J
Petrofina	K		
Peugeot	B	Winkelmann, Glasurit	D
Playtex France	L		
Pollard Ball & Roller Bearing	G		
Providentia	J		
Renault	B		
Ricard	J		
Ripas	H		
Riv	G		
Rockwell Manufacturing	H		
Rodio, Holding	C		
Rothe Erde	H		
Rothschild	I		
Rousselot-Kuhlmann	D		
S.A.G A.	I		
S.A.T.B.	K		
S.G.S.	F		
S.K.F.	G		
S.O.D.I.V.A.	I		
Sanyo Electric	F		







