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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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THE STATE AND PRIVATE ENTERPRISE

II THE STAMPEDE TO COMBINE

During the last three or four years France has shown growing awareness of her industry's position in relation to foreign competitors, and of the way it might develop if the Common Market were completely integrated. In the chemical industry, for instance, Rhone-Poulenc alone is really on a European scale; Pechiney-St. Gobain and Kuhlmann lag far behind. In contrast, Germany has three chemical companies bigger than Rhone-Poulenc (see Comment No. 339). In the electronics industry, three German companies are larger than the largest French one, which is CGE. In industry as a whole, the turnover of the seven biggest German companies exceeds that of the largest French concern, Charbonnages de France (a State concern).

France is even less inclined than any other country to let the Rome Treaty's anti-trust, anti-agreement, and anti-dominating-position rules prevent her from joining in the stampede towards industrial association and combination. Within the country, there is a simple solution of the "dominant position" problem which was discussed in Comment No. 336: mergers and combines will continue and multiply so as to meet national needs in the face of Community and world competition, rather than pay much heed to the Common Market Commission's still empirical doctrine on the subject. In other words, except when it is a case of forming an alliance to meet American competition which is dominating the European market (like the AGFA-Gevaert merger - see No. 264), national mergers will take precedence over Community mergers, and this may be one reason why the formation of companies under European law is still running into so many difficulties. However much it may be regretted, development in this direction is inevitable, and in the last analysis, it may be no bad thing if present national mergers make the future Community mergers and combines easier; it cannot seriously be doubted that in a few years' time, when the Common Market is working fully, mergers and combines of Community scope will be essential in order to stand up to competition from the other large economic groups.

In countries like France and even Italy, there is practically no progressive industry in which the large firms are not smaller than in USA, West Germany, and in some cases even the Netherlands (Royal Dutch Shell, Unilever, Philips). Rhone-Poulenc and Fiat are the exceptions which prove the rule. (In the iron and steel industry, the Italian company Finsider, which is controlled by the State, is bigger than the two largest French companies put together). The results are obvious, and affect research, growth rate, investment, and the European companies' power to resist American attempts to gain control of them.

It was thought in France three or four years ago that things would sort themselves out, and at that time a great many mergers were in hand. They were

more or less secret, or at all events discreet; in fact so discreet that in the long run experience has shown that the transactions were either fewer or smaller than was then believed. The Ministry of Finance and the Commissioners for France's Economic Plan thereupon decided to take the bull by the horns, because the State must use any method it could find to achieve what the parties concerned were not doing well enough or quick enough: combination in French industry.

One objective of the Fifth Economic Plan is to set up or strengthen a small number of groups or concerns of international dimensions which will be able to stand up to foreign competition, and M. Debre, the new Minister of Finance and the Economy, certainly holds those objectives particularly dear, for he is an enthusiastic believer in State action and national independence. The weapon lying ready to his hand is that of credits and investment subsidies. As a general rule, requests for loans are submitted to the Administration of the Plan, which controls investment above a certain sum. French industry is so heavily in debt and so badly placed for self-financing that the granting or withholding of credit is the ideal means of bringing pressure, especially as the practice now is to investigate and decide on each case separately, and not to make regulations which would apply generally.

Discussion takes a different turn when it is a question of the recent merger between Thomson-Houston and Hotchkiss-Brandt, who joined forces to meet Italian competition in the refrigerator industry, or when Michelin takes over control of Kleber-Colombes. But if one of these days, perhaps not so very far off, Citroën and Peugeot merge, to form along with the State-controlled Renault and the American-controlled Simca a single gigantic French automobile industry, capable a few years hence of facing American competition in Europe as well as German and Italian, does anybody believe that such a far-reaching operation would be carried out without the State encouraging it in one way or another?

For smaller concerns other methods are more appropriate. For instance, four electrical engineering firms were making condensers, for which the principal customer is EDF (Electricite de France); this State undertaking invited them to reach agreement so that there should only be one supplier, whose manufacturing activities and costs could then be directed to meet EDF's needs. In order to hasten this process, EDF's buying organization announced last year that from then on, it would obtain supplies only from the two largest firms, while it waited for the single supplier to emerge.

This policy looks paradoxical, against the tried practices of most countries. Whether an undertaking is public or private, it generally prefers to have several suppliers competing to supply it with goods, so as to make a deal eventually with the one which offers the best buy at the best price. When there is only one buyer, as in the case of EDF, the need seems all the plainer, but when the Common Market is complete EDF will no longer be the only buyer and French suppliers will be on an equal footing with those from other Community countries, trying to get

orders from German, Italian, Dutch and Belgian buyers on the strength of good offers. The French Government may have in mind this kind of competition in particular industries when it aims at wiping out or merging firms which would be at a greater disadvantage when the Common Market is complete than they are now. The State's influence can be decisive at the present stage, but it is also to be expected that when the Common Market is fully achieved, it will continue to exert a considerable influence, both by the credit facilities and other advantages it extends, and also as a priority customer. It is the big companies with diversified manufacture who stand to gain, at the expense of the small specialized firms whose principal customer is the State (and in this connection, "the State" includes EDF, SNCF, Gaz de France, les Charbonnages de France, the oil organization and the aircraft companies, with their numerous subsidiaries and shareholdings).

On occasion, less forceful methods are used to whip in the laggards. The Finance Ministry recommends any industry with "concentration problems" to select a competent independent "conciliator". In several cases, notably in heavy mechanical and electrical engineering, the man chosen has won the confidence of the industry and surprising results have been achieved, but this is where the paradox begins. One of the most effective means of encouraging combination would be to offer considerable tax advantages, at least for the first five years, but the Government has made the mistake of giving no tax encouragement so far. Sometimes political and social considerations crop up which hamper the development the State desires and influence events in directions that are not the most desirable economically. The most spectacular example is that of Forges d'Hennebont in Brittany, which made a loss for many years and several times was on the verge of bankruptcy; it was nearly taken over by foreign groups inside the Common Market, but whenever disaster approached the State pumped oxygen into it in order that some 1,500 people should remain in employment in an area which was inadequately developed, while a difficult re-training scheme was awaited. A less well known example is that of one of the Schneider group's factories at Nantes; in order to rationalize, the management closed some of the shops at Nantes and moved the manufacture to a Lyons factory. Economically the transfer was correct and constructive, but as the factory concerned was at Nantes, where there is a shortage of jobs, the closure caused some difficulties. So as to overcome these, the regional development authorities encouraged the manufacture of almost identical goods in the same place - and under an American licence. This conflict (between the will to combine and the wish to keep marginal undertakings going for reasons other than economic) naturally acts as a brake on combination, for industrialists know that at the eleventh hour the State will not abandon them to their fate when closing or taking over the economically unsuitable concerns raises social or political problems locally.

In a later article it will become apparent that State action is not directed solely to fostering industrial grouping into larger units.

(To be continued)

THE WEEK IN THE COMMUNITY

January 10 - 16, 1965

From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

Economic Results, 1965

In the seven years of the Common Market's existence, from January 1, 1958 to December 31, 1965, the growth rate of the gross National Product in real terms for the six member-countries rose by 44% compared with 35% in the United States and 29% in Britain. Over the same period, the standard of living of the "average European" on the basis of private consumption per head increased by not less than one-third. These are the main points of the last quarterly report presented by the Common Market Commission on the Community's economic situation. At the same time the report shows that in 1965 the rate of growth was considerably lower than that of 1964, being around 4% as compared to 5.5%. A slight recovery is expected for 1966, with 4.5%, but it is feared that prices will not remain completely stable.

Demand: USA still Big Customers

1965's slow-down is due first of all to a slightly less rapid growth in demand than in the preceding year; details are as follows:

Exports to non-Common Market countries rose by 11%, against 11.5% in 1964. The reason is that although most of the industrialized countries experienced a slowing-down of demand, the United States continued its vigorous expansion. This is illustrated by two figures: exports to the USA rose by 18% while sales to Britain only rose by 1%.

Growth of internal demand seems to have been slightly weaker, but this concerns mainly if not exclusively the gross formation of fixed capital; rate fell from 12% by value and 7% by volume in 1964, to 6% by value and 3% by volume last year. There is however, no slackening of consumption and the situation is as follows in the main sectors of internal demand:

(a) Gross Formation of Fixed Capital: there is a fall in the rate of building investment due to climatic conditions and also to slow progress in Italy's housing programme. Plant investment, too, did not continue at such a high rate (a drop in Italy and more or less stationary in the French private industrial sector). On the other hand, except in Belgium and Luxembourg, business investment showed fairly lively expansion. Finally, contrary to the trend in 1964, investment in the form of stocks hardly stimulated economic activity or imports.

(b) Total Expenditure on Consumer Products: this has continued to grow, due to business expenditure, which showed faster progress than in 1964, mainly in Belgium and Germany. On the other hand private expenditure on consumer goods showed a slight fall,

with a growth rate of 7% as against 8%. In volume, taking into account a population increase of about 1.2%; consumption per head increased during the year by 2.8% as against 3.3% in 1964. This progress is shared unequally, with a level of about 5% in Germany and the Netherlands compared with 2% in France and Italy. Finally, the demand for durable consumer goods, which slowed down in 1964, recovered in 1965 - particularly automobiles.

Supply: Progress Slower

The pace of production increases slackened considerably because of bad weather, the slow-down in the expansion of demand and the labour shortage in Germany.

In some areas, the weather had a considerable effect on agricultural production. However, for the Community as a whole, the crops were more or less the same, with Germany's large drop offset by considerable increases in France and Italy. Animal production still rises slowly, especially in the beef sector, which remains the weak spot in European agriculture; slaughterings fell during the first six months.

The rate of industrial growth fell from 6.5% in 1964 to about 4%. Progress varied considerably, from 6% in the Netherlands to only 1% in Luxembourg, which was badly affected by the slackness of the world steel market at the beginning of 1965; since then, progress has been fairly steady and slightly faster. In the individual sectors, the basic industries are the hardest hit: production of coal fell by 4%; the chemical industry did not match its performance for 1964 and although steel production rose by 5% this was mainly due to a large jump at the beginning of the year which afterwards declined. Production of consumer goods also showed limited progress. In the leather and textile industries, only Germany showed a gain compared with 1964. In the automobile industry, however, overall production increased. Finally, the highest production gains, relatively speaking, were in investment goods, at any rate in Germany, Belgium and the Netherlands; France and Italy were more or less static or even retreated.

Building increased slightly faster than the other main sectors of production, but it was considerably less than the previous year; the labour shortage was not felt, except slightly in Germany and the Netherlands.

"Services" was the only sector which again showed fairly steady progress, because its natural tendency towards expansion managed to offset the slower rate of growth in total demand. It can be seen however that progress is much more marked for services depending on private consumer expenditure than for those allied to industrial production, such as freight.

Imports

The growth of imports from non-member countries fell from 8.5% by value and 7% by volume in 1964 to 5% and 4% respectively. This fall is due to a slackening

of demand in Italy and France and a generally hesitant attitude towards stocks. The progress of intra-Community trade was again very lively (an increase of 12% in value as against 14.5% in 1964) due to a particularly strong increase (+30%) in German purchases, mainly to the advantage of France and Italy (deliveries to Germany rose by 40%); both countries had plenty of spare production capacity.

The Labour Market

Neither the total number of employees nor the number of wage-earners increased over the year. There was a drop in the progress of productivity and in the general level of business, the latter because of increased holidays. The number of unemployed increased, but was not serious except in Italy. On the other hand, the acute labour shortage continued in Germany and the Netherlands. So on the whole "human productive capacity" stayed as it was.

Rise in Gross Product

As mentioned, this was around 4% for the Community as a whole as against 5.5% in 1964, but the level varied considerably from country to country: in Luxembourg there was a drop from 6.5% to 1.5%; in France, from 5.3% to 2.5%; in Belgium from 5.2% to 3%; in Germany from 6.5% to 5% and in the Netherlands from 8.2% to 5%.

Prices

Despite the slight slackening in the growth of demand and in the progress of intra-Community trade, prices generally continued to rise and for the Community as a whole the increase was only slightly lower than that recorded in 1964; the rising tendency was strongest in Germany and the Netherlands and weaker than last year in France and Italy. The persistence of this trend can be attributed to slackening in the growth of supply (especially agricultural production), continued cost increases and the deferred effects of previous price-increases (rents, charges of nationalized industries, etc.)

Trade Balance

The yearly deficit fell considerably from \$2,700 million in 1964 to \$1,400 million in 1965. However in the last six months of the year there was again a slight deterioration.

Capital Balance

Net imports of long-term capital increased. The gold and currency reserves in the treasuries of the member-countries fell, partly because of the strong improvement in their position with the IMF and an improvement in the net currency position

with the IMF and an improvement in the net currency position of the trading banks.

The Utmost Care is Required

In 1966 the Commission expects a slight acceleration of economic growth; 4.5% for the Common Market Gross Product. Less stimulus is expected from foreign demand since world trade is expected to slow down still further. On the other hand, internal demand should improve. Accelerated investment is forecast for the near future, especially on plant in France, Italy and the Netherlands and on business investment in Benelux. On the other hand, although consumption expenditure by businesses is expected to decline the growth in demand for private consumption could, in terms of value, be as rapid as in 1965 and even more so in terms of volume.

To cope with this upsurge in demand the Commission expects that the foreseeable recovery in France, Italy and Belgium should increase supplies sufficiently to offset the probable slowing-down in the growth of German production. This applies mainly to industrial production, but with normal weather there should be considerable progress in agricultural production and the present rate of growth in the building industry should be maintained.

The Commission will not commit itself on the prospect for stability. It believes that price increases will continue; they may not be as severe as in 1965, but they will be a good deal higher than intended by the stabilization policy. In this respect the situation looks most serious in Germany, Belgium and the Netherlands, but in Italy, too, increases could be considerable, while in France it will be difficult to reduce the rate of price increases any further.

In conclusion, "the Commission feels that it is too soon to stop giving priority, in economic policy, to achieving stability of costs and prices. But this does not rule out in Italy and to some extent in France, an expansionist policy, particularly for investment; provided that it is carefully planned and safeguarded by stabilizing measures it could help to prevent price increases in these two countries. But in the other Common Market countries, especially Germany and the Netherlands, fresh efforts are required to contain the growth of internal demand in nominal terms, if there is to be any improvement in the price outlook, which at the moment is not very encouraging."

To conclude this analysis of economic prospects, it is worth quoting the latest results of the economic survey carried out by the Commission among heads of enterprises in the Common Market (except the Netherlands). In industry and in all five countries, business has on the whole increased slightly since the summer and this trend could continue during the coming months. Progress in total, however, masks different developments in the various countries: a slowing-down in Germany and Belgium which is largely offset by considerably increased activity in Italy and especially in France. On the whole the strongest pull comes from the consumer goods sector, which is supported by a considerable rise in the family income. Although the opinions of the heads of

enterprises about order-books may always be slightly over-optimistic, some improvement has been visible and the proportion of business men who feel that their order-books are not full enough has fallen slightly. Prospects for production are good and the climate of industrial prices is fairly settled.

* * *

Exclusive Agency Permitted

In a third case the Common Market Commission has decided that the rules of competition (article 85 of the Rome Treaty) should not apply to the agreements under which the French firm Maison Jallatte granted the sole German agency for its protective footwear to Hans Voss and the sole Belgian one Ets. Vandeputte.

The following points are of legal interest:

1. The Commission confirms that exclusive agreements in general come under the ban, which is the point being contested in the Gründig-Consten case, now before the Court of Justice (see No. 272, p. 13).
2. Such agreements may however be permitted if they contain no absolute territorial protection. In the present instance Jallatte must not sell to others in Germany and Belgium, but is not bound to prevent indirect deliveries into those countries (what are called "parallel imports"); the selling agencies appointed are not debarred from re-exporting, and they also buy and sell for their own account, fixing their own selling prices.
3. Now a new point. The Commission regards as legitimate the Jallatte - Vandeputte agreement's provisions for exclusive buying, under which the agency agrees that during the course of the agreement it will not buy or re-sell articles similar to those manufactured by Jallatte. This is a common enough clause in exclusive agreements and the Commission is allowing it to stand because it is essential for achieving the objective of the two parties, which is to increase sales as much as possible, bearing the state of the market in mind.

There is an interesting parallel, here (running in the opposite direction) with the course of events in Britain in the fifties, when the Monopolies Commission reported on case after case, until Parliament had sufficient grounds to legislate on particular practices; the Common Market has the Treaty already, of course, but the Commission may eventually declare certain categories of agreement exempt from its provisions.

* * *

Freedom of Establishment

The Commission has adopted two proposals on the freedom of establishment

and provision of services which affect the majority of transport auxiliary services (brokers, forwarding, customs and freight agents generally), travel agents and warehouse owners. The Commission states that "before the two proposals are submitted for a majority decision, the Common Market Council of Ministers must consult the European Parliament and the Economic and Social Committee." This statement was not gratuitous: France and Germany are known to be opposed to these liberalizing measures, but it is hoped that the opinion of the consultative bodies will change their final decision.

* * *

Aid to Africa

Eighteen months after the signing of the Euro-Africa Convention at Yaounde, 103 separate items to a value of \$ 207 million have been approved by the European Development Fund. The EDF in fact has \$730 million available for its five-year financial assistance programme and this news shows that it is slightly in advance of its projected timetable: this will certainly be welcomed by the Common Market's Associated countries, who complained at the slow pace of first Association Convention (1958-1962). Work in hand has also been stepped up: the total payments in 1965 amounted to \$100 million. So European aid, once charged with being much slower than the Communist bloc's, has fortunately been speeded up now.

* * *

Social Security

The Commission has just sent to the Common Market Council a proposal bearing on social security payments to wage-earners and their families who change their place of work within the Community. The proposal amounts to a complete re-casting of the existing regulations and sets out 1) to cover all categories of wage-earners and 2) to improve family and unemployment benefits, and also disability, old age and dependents' pensions. Previous regulations had been used to assist a growing number of migrant workers: in 1964, there were two million of these and the allocations to them under the various headings amounted to \$50 million.

* * *

Almost Quiet on the Refrigerator Front

The "refrigerator war", which threatened to break out when France imposed new standards of quality for refrigerators, is not now likely to start after all. German and Dutch manufacturers have already admitted that the new standards are in the interest of the consumer and not of a discriminatory nature, since they apply to French products as well as to imports. Neither do they raise any administrative barrier against imports into France; the various French and imported models are being approved quickly and equitably. Belgium and Italy do not share this point of view, but are unlikely to do anything about it. The problem of discrimination is not due to be thrashed out for quite a while: when it is, all the approvals will probably have been given, and there will be no fight, for lack of fighters.

* * *

German-Dutch Steel Merger

Last week, Mr. Ochel, managing director of Hoesch AG, met the representatives of the High Authority at Luxembourg for talks about the proposed merger between the Hoesch group and Dortmund-Hoerder-Hüttenunion (half of whose issued capital is held by the Dutch group Hoogovens). The boards of the two groups have already approved the merger. Dortmund now hopes that in the very near future the High Authority will also give approval in accordance with Article 66 of the ECSC treaty; it will then be possible to ratify the merger at the next General Meeting of Hoesch AG on April 7, 1966.

As a result of the merger the two firms foresee a very large measure of rationalization at all stages from the buying of raw materials, through production itself to sales of the finished product. In the first few years alone, economies in the region of Dm 500,000 are expected.

The merger will be effected by an exchange of shares - ten Dortmund-Hoerder shares will be exchanged for every seven Hoesch shares. The combine will then be the largest group in the German steel industry after Thyssen. Its output compared with that of the Community as a whole will be 6.7% for raw steel, 5.1% for extruded steel and 9.1% for flat products.

* * *

The Consultative Committee

Sig. Cavazzuti has been appointed chairman for the 1966/67 session. He is 36 and the national secretary of the Federation of Italian Metalworkers' Unions.

* * *

A Plan for Coal

Not until it has consulted the Council of Ministers will the High Authority put forward its plan for direct intervention in the coal industry. This is because in the majority of sectors affected by the coal slump the various governments' co-operation is essential for success. The High Authority must know first of all to what degree the governments are ready to increase their financial assistance to the Community's coal industry, as the safeguarding of the industry depends to a very large extent upon the sacrifices they (the governments) are prepared to make.

M. Hellwig, a member of the High Authority, addressed the Consultative Committee at length on the situation in the Community's mines. \$1,000 million of subsidies had been granted to the mining industry during 1965; the largest part of this went on aid of a social nature. Yet the situation continued to deteriorate. Neither such assis-

tance nor a lowering of output could prevent an imbalance of ten million tons between supply and demand in 1965 and only by a large increase in subsidies could the present level of output be maintained.

As for the other, non-financial measures, the most efficient was trade policy which depended entirely on the governments of the Six. The High Authority itself had no power over any of the other forms of energy that were the responsibility of the Common Market or Euratom. The fact was that the chief rivals to the Community's coal were not coal imports from outside the Six, but petroleum products and natural gas. Coal producers had asked for Articles 58 and 74 of the treaty to be applied and the High Authority was now stressing the fact that both of these regulations needed to be approved by the Council of Ministers. It was examining all possible action in this sphere but found it must state that measures of a kind similar to those taken to protect steel (i.e. the continuation of external tariffs during 1966) would in the case of coal have a very doubtful effect. Much of the consumption of coal could be replaced by other sources of energy; such was not the case with steel, which only had to compete against imported steel.

The High Authority is giving particular attention to the question of the supply of coke within the Community. Steel-works in different countries are complaining about price discrimination which distorts competition and prevents the steel market from functioning smoothly. The High Authority is studying methods of remedying this, including a standardization of freight charges for coke.

The hope at Luxembourg now is that the Council of Ministers can meet on February 8, as suggested by the Council's chairman, the Dutch Minister of Labour Mr. Den Uyl. Without a thorough discussion of all aspects, the High Authority does not see how it can put forward the plan for direct intervention in the coal industry for which those concerned are asking.

STUDIES AND TRENDS

THE FARM TRACTOR INDUSTRY IN THE COMMON MARKET AND BRITAIN - 11

Demand in Europe

The demand for tractors is shown by the number of machines registered in each country: this varies little from year to year; there has been a slight rise in France, Britain and Italy since 1960 and a slight fall in West Germany. However, the industry is subject to seasonal peaks, so manufacturers have to hold large stocks of finished goods, especially as they carry a wide range of models.

The figures contained in the following table do not always exactly correspond to other published figures. The number of vehicles registered can differ from the figures declared by the manufacturers, mainly because of the overlap at the end of the year and the different methods of registration employed by the Customs; also some tractors which are not used on the road need not be registered either.

Table E illustrates the relative importance of imports: in France, manufacturers inside the country only provide 61% of tractors registered. The French and Italian markets are comparatively well-protected (see Table F); of course, progress in setting up the Common Market tends to reduce this protection in terms of other member-countries, especially Germany.

Prospects of Increased Demand

This depends basically on the degree of agricultural mechanization in each country and the various financial or tax incentives which come under "aid to agriculture" and which encourage the buying of mechanical equipment.

Mechanization of agriculture is still low in France and even lower in Italy despite a steady improvement since 1950: these two countries are still interesting potential outlets; mechanization is more advanced in Benelux and Germany. Saturation point has been reached in Britain so that demand is virtually limited to replacement sales. The fresh or continued efforts of the authorities in most of these countries towards re-allocation of land should encourage an increase in agricultural mechanization.

Incentives to buy tractors are usually given to farmers who lack capital, they vary according to country and sometimes they are mainly of a fiscal nature.

In France, buyers of new tractors are paid a subsidy of 10% of the price of the tractor, with a limit of Ff 1,500 for each individual buyer. The total amount of the subsidies paid to farmers was Ff200 million in 1960, 230 million in 1961 and 250 million in 1962. These subsidies refer to all agricultural equipment, not only tractors.

French farmers can also obtain loans from the Agricultural Credit board at 5% interest over a period of 10 to 15 years, for which the personal contribution required is

TABLE E
ORIGIN OF TRACTORS REGISTERED

Main Suppliers	1960		1961		1962		1963	
	Number of Vehicles	%	Number of Vehicles	%	Number of Vehicles	%	Number of Vehicles	%
<u>Britain</u>								
British	32,000	100	42,300	100	38,200	100	42,400	100
<u>Germany</u>								
German	83,188	93.6	86,807	91.0	71,458	88.7	67,560	86.7
English	5,453	6.1	8,318	8.7	8,718	10.8	9,687	12.4
Various	228	0.3	255	0.3	367	0.5	647	0.9
<u>Total</u>	88,869	100	95,380	100	80,543	100	77,894	100
<u>France</u>								
French	58,431	78.13	53,568	69.14	47,905	66.20	47,466	61.65
English	4,032	5.39	7,602	9.81	9,190	12.70	12,002	15.59
German	7,997	10.69	9,931	12.82	8,713	12.04	10,590	13.75
Italian	2,525	3.38	4,439	5.73	4,814	6.65	4,793	6.22
Various	1,798	2.41	1,934	2.50	1,739	2.41	2,148	2.79
<u>Total</u>	74,383	100	77,474	100	72,361	100	76,999	100
<u>Italy</u>								
Italian	21,042	79.6	23,192	83.5	28,271	81.6	31,491	80.8
English	2,751	10.4	2,605	9.4	3,769	10.9	4,576	11.7
German	1,734	6.6	1,179	4.2	1,316	3.8	1,456	3.7
Austrian	379	1.4	275	1.0	407	1.2	469	1.2
American	296	1.1	298	1.1	378	1.1	414	1.1
French	37	0.1	64	0.2	289	0.8	409	1.1
Various	204	0.8	152	0.6	217	0.6	166	0.4
<u>Total</u>	26,443	100	27,765	100	34,647	100	39,981	100
<u>Netherlands</u>								
English					5,025	50.04		
Germans					2,565	24.55		
Italian					696	6.93		
French					375	2.73		
Various					515	5.14		
<u>Total</u>					10,041	100		

TABLE F
CUSTOMS DUTIES ON WHEEL TRACTORS

Type of Tractor		France	Germany	Italy	Benelux	Britain
Diesel Engine	(a)	18	13.6	20.2	12	15
	(b)	8	4	14.4	2.4	6
Internal Combustion Engine	(a)	19.6	13.6	20.2	12	15
	(b)	10	4	14.4	2.4	6
Other Types	(a)	19.6	14.4	18	12	15
	(b)	10	4.8	8.4	2.4	6

Note 1 : The letters mean: (a) General rate
(b) Common Market rate or (in the case of Britain) EFTA rate

Note 2: Italian duties shewn for the first two types apply up to 7,000 cc; above that figure, duties for "Other Types" apply.

usually fairly low, especially for young farmers. Finally, French farmers can combine to form a C.U.M.A. (Co-operative for the Use of Agricultural Equipment) so that each member can use expensive equipment which he could not afford on his own. The C.U.M.A.'s receive tax concessions and can obtain unlimited loans from Agricultural Credit on the above conditions. So far the C.U.M.A. have had only a limited success with tractors, whose wide range of uses now makes them a permanent necessity.

In Germany subsidies are also available (10% of the total price with a ceiling of Dm1000) as well as generous interest rates: usually 2% (on a sum between Dm 1000 and Dm 5000, with a personal contribution of 20%). There are also interest-free loans for experimental farmers (over a period of six years) who agree to check by agronomists engaged by the credit organization.

In Italy, farmers can get subsidies which vary according to the region and which usually amount to 25% of the purchase price. More specifically they amount to:

- from 20 to 50% in Alto Adige, Trentino and Val d'Aosta;
- 15% in Sicily (40% for the farming co-operatives);
- 25 to 60% in the mountainous regions;
- 25% in Sardinia.

In Belgium there is a National Institute of Agricultural Credit which gives farmers

reduced rates. Also, co-operatives can get draw-backs of 25%. There is a similar system in the Netherlands.

In addition to these financial measures each country provides tax assistance in the form of tax allowances, special depreciation conditions and tax-relief.

On the whole these various measures seem to be having the desired effect by speeding up the mechanization of European agriculture (see Table G). They tend to favour the tractor industry mainly in countries where the need for basic equipment is greatest and this poses the question whether or not this policy encourages unnecessary over-capitalization in some regions and also tends to cover up the real difficulties of the tractor industry (low market prices) in many countries and especially in France.

TABLE G
VOLUME OF TRACTORS IN COMMON MARKET COUNTRIES
(Number of tractors per 2,500 acres of land)

Year	Germany	Luxembourg	Netherlands	Belgium	France	Italy
a) <u>Arable Land</u>						
1950 (No. Index	16.6 100	16.4 100	19.5 100	8.3 100	7.4 100	4.4 100
1959 (No. Index	91.7 552	80.7 492	60.5 310	45 542	36 486	17.1 389
1962 (No. Index	119.9 722	91.8 560	77.4 397	59.4 716	45.6 616	23.7 539
b) <u>Cultivated Land</u>						
1950 (No Index	9.8 100	9.2 100	8.4 100	4.5 100	4.3 100	2.8 100
1959 (No Index	54.3 554	43.4 472	25.8 307	24 533	20.4 474	10.7 382
1960 (No Index	70.3 717	48.6 528	32.8 390	30.8 684	26 605	14.7 525

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- D AIRCRAFT & SPACE France: NORD-AVIATION, Paris and BOELKOW, Munich form joint subsidiary UVP, Paris.
- D AUTOMOBILES France: LOUIS BREGUET, Paris takes 23.54% in MATRA SPORTS (sports cars and boats). Switzerland: BMC, Birmingham forms Swiss sales and service subsidiary.
- D BUILDING & CIVIL ENGINEERING France: The Belgian civil engineering firm DEPRET FRERES forms French subsidiary. Italy: The head of the German civil engineering firm LORENZ KESTING forms Milan subsidiary.
- E CHEMICALS The German printing-ink firm KAST-EHINGER forms Milan subsidiary.
- E ELECTRICAL ENGINEERING Germany: The Danish company HEDE NIELSENS (TV sets, etc) forms German subsidiary. Netherlands: The US group BAUSCH & LOMB (optical and scientific equipment etc) forms Netherlands sales subsidiary.
- E ELECTRONICS France: INDUSTRIELLE DES TELECOMMUNICATIONS, Paris (telephone equipment) is buying a share in TELIC, Strasbourg. Germany: VDO, Frankfurt (precision control equipment etc) forms its aeronautical departments into new Frankfurt subsidiary. Luxembourg: The US computer firm HONEYWELL forms Luxembourg investment subsidiary.
- F ENGINEERING & METAL Belgium: The Belgian agricultural machinery group MELOTTE forms service subsidiary. The US group PITNEY-BOWES (office and printing equipment) acquires two Brussels subsidiaries by taking over their American parent firm. France: The US group TRW and a subsidiary gain control of GEMMER-FRANCE, Suresnes, Seine (steering gear). German subsidiary of PRECISION VALVE CORP, New York forms French branch. CENTRALE DES EMBALLAGES ALUMINIUM (PECHINEY group) increases its capital. Germany: J.A.HENCKELS, Solingen (cutlery) and IMPERIAL KNIFE, New York form 50-50 subsidiary at Solingen. Italy: METAL FLO CORP, New York (metal-processing) forms Italian subsidiary. Netherlands: The British firm QUINTON HAZELL (spare parts for automobiles etc) forms Amsterdam subsidiary. Spain: The Hamburg company BRAN & LUEBKE (equipment for treating water etc) forms Madrid subsidiary. Switzerland: The German firm W.C.HERAEUS (treatment of rare metals etc) increases its Swiss holdings.
- H FINANCE France: BANCO DE BILBAO (deposit bank) opens second French branch. Two US companies increase capital of LA LOCATION DE MATERIEL INDUSTRIEL & COMMERCIAL, Paris. Switzerland:

BANK NEDERLAND, Amsterdam forms Zurich subsidiary. New Swiss holding company EMI formed at Zug.

- | | | |
|---|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I | FOOD & DRINK | Belgium: INDUPAG (agricultural produce) has been formed at Brussels. France: FRIGORIFERES DU LITTORAL, Ostend, forms Paris frozen food subsidiary. DE BEUKELAER FRANCE, Roubaix is taken over by BISCUITS PAREIN FRANCE to reflect the merger of their parent firms. Germany: The Dutch group DE GRUYTER & ZOON increases the capital of its Cologne subsidiary. Netherlands: The German industrialist Herr Schweisfurth (food) forms Amersfoort sales subsidiary. |
| K | OFFICE EQUIPMENT | Germany: ANKER-WERKE, Bielefeld (office-machines) forms 100% subsidiary. |
| K | OIL, GAS & PETRO-CHEMICALS | Belgium: TEXACO, New York increases the capital of its Brussels subsidiary. France: PETROFINA, Brussels increases its majority share in PETRONAPHTE, Paris. STANDARD OIL CO OF NEW JERSEY is setting up Metz refinery. DORIS (off-shore research) is formed in Paris. Germany: The German petrol and oil distributor UNION TREIBSTOFF opens two branches. |
| L | PAPER & PACKAGING | Belgium: WEST VIRGINIA PULP & PAPER, USA forms first European subsidiary in Brussels. France: PAPETERIES DE FRANCE, Paris forms research subsidiary. Germany: INTERNATIONAL PAPER, New York forms German subsidiary. |
| M | PHARMACEUTICALS | Italy: The US pharmaceutical group, SMITH KLINE forms Italian subsidiary |
| N | PLASTICS | France: The German company REHAU PLASTIKS (plastic pipes etc) now increases capital of its French subsidiary. |
| N | PRINTING & PUBLISHING | Germany: PERGAMON PRESS, London and its US subsidiary form Brunswick subsidiary. Netherlands: CAXTON, London forms Netherlands subsidiary. |
| O | RUBBER | Belgium: PHILLIPS PETROLEUM, USA will set up new factory in Antwerp instead of France. Germany: PHOENIX GUMMIWERKE, Hamburg (rubber and plastics) buys 50% in SCHNEIDER, Düren (shoes). |
| O | TEXTILES | France: CELANESE OF AMERICA buys three French firms. The British elasticized fabrics manufacturers CLUTSOM & KEMP will form Common Market subsidiary with French interests. Germany: The German stocking manufacturer ARWA forms property subsidiary through its Swiss holding company. The Swedish firm |

VARNAME KONFEKTIONS (ready-made clothes) opens Berlin branch. Netherlands: CHAS. MACINTOSH, Terwinselem gains control of two other Dutch clothes manufacturers. Spain: SCHAPPE-TEX ENTREPRISES, Basle (subsidiary of BURLINGTON, USA; SCHAPPE, Geneva and TEXTIL, Paris) takes 50% in FIBRAS TEXTURADAS, Barcelona. FILATURES PROUVOST, Roubaix takes minor share in Spanish wool-spinners. Switzerland: The German spinning and weaving firm ALBRECHT DENK forms second Swiss subsidiary.

- Q TRANSPORT Switzerland: TRASPORTI AEREI PEGASUS, Ticino increases its capital.
- Q VARIOUS Britain: SNPA and FISIONS, Felixstowe, Suffolk to form 50-50 British subsidiary. France: L.T.FREDMAN, Paris splits into four companies.

AIRCRAFT & SPACE

** UVP-UNION POUR LA VENTE DES PRODUITS NORD AVIATION SNCA-BOELKOW GmbH Sarl, Paris (capital Ff 100,000) has been formed 50-50 by NORD-AVIATION STE NATIONALE DE CONSTRUCTIONS AERONAUTIQUES, Paris (see No 331) and BOELKOW GmbH Ottobrunn, Munich (see No 308). M. J. Cahen-Salvador, president and managing director of Nord Aviation, is the manager of the new company, which will design, manufacture, sell and provide after-sales service for the anti-tank rockets "Milan" and "Hot", the light ground-air missile "Roland" and the air-ground missile "AS-34". The new firm will also be able to negotiate and make supply contracts with the governments concerned.

Nord-Aviation and Bölkow already have design, research and financial links. A few months ago the French firm took a 25% holding in the Dm 32 million capital of the German firm, thus becoming equal shareholders with the BOEING CO, Seattle, Washington, the engineer Ludwig Bölkow (founder and manager of the German firm) and the holding company BOELKOW-ANLAGEN GmbH, Ottobrunn, Munich (a 100% subsidiary of the German firm). The two aircraft firms have also set up a study group for the design and development of the "Milan", "Hot" and "Roland" missiles.

AUTOMOBILES

** SA DES ATELIERS D'AVIATION LOUIS BREQUET, Paris (see No 187) has taken 23.54% in MATRA SPORTS Sarl ("Jet 5" and "Jet 5 S" sports cars and pleasure boats) and will assist in the design and manufacture of new models produced by Matra Sports, whose capital has been raised from Ff 1,665,000 to 4,250,000. Louis Breguet is a member of the FLOIRAT group, which holds 39% of its capital either directly or indirectly. Matra Sports also belongs to the same group: it was formed in 1964 by ENGINES MATRA, Paris (see No 329) and has a Geneva subsidiary MATRA SPORTS IMPORTATION SA (see No 298).

Engines for the new models will be supplied by BRITISH RACING MOTORS.

** The automobile manufacturers THE BRITISH MOTOR CORP, Birmingham (see No 319) has formed a Swiss promotion, sales and services subsidiary to deal with Western Europe. The new company, BRITISH MOTOR CORP INTERNATIONAL SERVICES SA, Lausanne (capital Sf 1,200,000) will have Mr J. W. Bache as its president.

BUILDING & CIVIL ENGINEERING

** The building and civil engineering company ANCIENNE FIRME DEPRET FRERES Sarl, Ghent (capital Bf 12 million), which is managed by Mme Depret and M. F.J. Depret, has opened a French branch at Watten, Nord. The new firm will be run by M. F.T. Depret and will carry out dredging operations in the Nord and Pas-de-Calais departments.

** The German industrialist Herr L. Kesting, who owns the civil engineering and building materials company (mainly concrete and prefabricated materials) BAUUNTERNEHMUNG LORENZ KESTING, Lünen-Brambauer, has formed SpA KESTING ITALIANA, Milan to take over his Italian business. Herr Kesting owns 70% of the lire 1 million capital of the new firm, the remainder being held by the Italian industrialist Sig Ezio Morini.

CHEMICALS

** The German manufacturer of printing inks etc. KAST-EHINGER GmbH DRUCK-FARBENFABRIK, Stuttgart-Fenerbach, has formed a manufacturing and sales subsidiary in Milan, SpA KAST-EHINGER ITALIANA. One of the directors of the parent firm, Herr G.H. Uhlmann will run the new company, which has a capital of lire 200 million equally owned by the German company and the Swiss holding company CARMIN AG, Chur (capital Sf 3 million).

The Stuttgart company already has a foreign sales subsidiary: KAST-EHINGER FRANCE Sarl, Paris, formed in 1963 (see No 198) whose capital was recently raised from Ff 500,000 to Ff 1,500,000.

ELECTRICAL ENGINEERING

** BAUSCH & LOMB INC, Rochester, New York (see No 138) which makes optical, scientific and electronic equipment and instruments, has increased its European interests by forming a more or less wholly-owned Netherlands subsidiary BAUSCH & LOMB NV, Haarlemmermeer, Schipol. The new sales company has a capital of Fl 100,000 and will be run by Mr H. van Doorn.

The American group, whose main industrial interests are concentrated in a number of subsidiaries in the United States, has long been established in Europe with two subsidiaries in Britain, BAUSCH & LOMB OPTICAL CO LTD and UK OPTICAL BAUSCH & LOMB LTD; a German subsidiary BAUSCH & LOMB GmbH, Frankfurt (with a branch at Düsseldorf called APPLIED RESEARCH LABORATORIES) and a 40% share in the Swedish company AGA BAUSCH & LOMB A/B. Its subsidiary APPLIED RESEARCH LABORATORIES INC, Glendale, California has direct branches of its own in Britain and at Lausanne, Switzerland. The group also has a wholly-owned subsidiary in Canada and another in Argentina.

** The Danish company HEDE NIELSENS FABRIKER A/S, Horsens (TV sets, radio-receivers, microphones, loud-speakers etc) has set up a subsidiary at Wiesbaden called ARENA ELEKTRO-AKUSTIK. This firm will be mainly engaged in selling stereophonic equipment in Germany and especially to American and Canadian forces stationed in Germany.

ELECTRONICS

** HONEYWELL INC, Minneapolis, Minnesota (see No 296) has formed an investment subsidiary at Luxembourg, HONEYWELL INTERNATIONAL FINANCE CO SA, directed by Mr J.W. Morrison. The capital is \$2.5 million, entirely paid up by the parent company, which makes computers, heating and ventilation regulators, etc.

The American group has computer centres at Milan, Frankfurt, Paris and Newhouse, Scotland. It has many manufacturing and sales subsidiaries: HONEYWELL SpA, Milan (branches at Catania, Florence, Genoa, Palermo, Rome and Turin); HONEYWELL Sarl and HONEYWELL DEFENSE PRODUCTS EUROPE Sarl (Malakoff, Seine with a factory at Longpreles-Amiens, Somme); HONEYWELL AG, Zurich; HONEYWELL GmbH, Frankfurt (factories at Dorningham and Nuremburg); HONEYWELL NV and HONEYWELL INTERNATIONAL NV (Amsterdam, and a factory at Emmen); HONEYWELL SA, Brussels; HONEYWELL CONTROLS LTD, Brentford, Middlesex; HONEYWELL LEASING LTD (formed at London in April 1964); HONEYWELL GmbH, Vienna; HONEYWELL A/B, Stockholm; HONEYWELL A/S, Copenhagen; etc.

** VDO TACHOMETER WERKE ADOLF SCHINDLINGS GmbH, Frankfurt (see No. 65) which makes precision control and measuring equipment, has put its research, design, development, manufacturing and sale of aeronautical instruments into a new subsidiary VDO LUFTFAHRTGERAETE WERK ADOLF SCHINDLING GmbH, Frankfurt. The parent company belongs to the heirs of its founder, the late Herr A. Schindling. It runs factories at Frankfurt and Babenhausen, Hessen and has many points of sale in West Germany. Abroad it has three main subsidiaries VDO INSTRUMENTS CO, Detroit, Michigan, VDO DO BRASIL SA, Sao Paulo and VDO INSTRUMENTS AUSTRALIA PTY LTD, Melbourne, Victoria.

** CIE INDUSTRIELLE DES TELECOMMUNICATIONS SA, Paris (capital Ff 42 million): is negotiating a majority shareholding in LA TELEPHONIE INDUSTRIELLE & COMMERCIALE-TELIC SA, Strasbourg (capital Ff 2.5 million), the fourth largest French manufacturer of telephone equipment, employing more than 900 people in its factory at Strasbourg-Meinau.

The Paris firm is a member of the group CGE-CIE GENERALE D'ELECTRICITE SA, which recently underwent reorganization. Its telecommunication division was transferred (see No. 337) to CETT-CIE EUROPEENNE DE TELETRANSMISSIONS Sarl, Levallois-Perret, Hauts-de-Seine, and its computer and data processing division was transferred to CIE EUROPEENNE D'AUTOMATISME ELECTRONIQUE SA, Paris: both these receiving companies are controlled by CIT-EC-CIE POUR L'INFORMATION & LES TECHNIQUES ELECTRONIQUES DE CONTROLE SA, Paris (a holding company belonging 50-50 to CSF and CGE).

ENGINEERING & METAL

** W.C. HERAEUS GmbH, Hanau, Main (see No. 329 - treatment of rare metals, high temperature and vacuum techniques) has increased its Swiss holdings: it now has 99.5% control of its holding company HERAEUS GmbH, Zug, after doubling the capital to Sf 2 million, and it has formed a second holding company METOX GmbH, Zug (capital also Sf 2 million). Managing the latter is M.L. Gutstein of Zurich who is also president of the sales company that the group formed at Zug in 1961, METALLHANDELS AG (capital Sf 100,000).

The German group went 50-50 with SOGEV-STE GENERALE DU VIDE SA, in forming HERAEUS-SOGEV POUR LA SIMULATION SPATIALE Snc at Paris in July 1964, and also has many foreign holdings in Europe and the USA (see No. 316).

** QUINTON HAZELL LTD, Colwyn Bay, Denbighshire (see No. 313 - assemblies and parts for automobiles, trucks, tractors and engines) has set up an Amsterdam sales subsidiary QUINTON HAZELL NEDERLAND NV with Mr. R. La Chapelle as director.

The parent company has many British interests (factories at Colwyn Bay, Coventry and Birmingham and fifteen subsidiaries and associated companies). Recently it formed a French sales subsidiary, QUINTON CIMEX SA, Le Bourget, Seine, which is under the direct control of the Belgian subsidiary QUINTON HAZELL REMAX EUROPE SA, Etterbeek-Brussels (see No. 122). The latter is a manufacturing company formed in 1962 and was the British firm's first venture on the Continent. The group also has subsidiaries and shareholdings in Australia, India, Ireland and South Africa.

** The Hamburg company BRAN & LUEBBE KG, which belongs to the German family Ladendorf through the management company KURT LADENDORF GmbH, and which produces equipment for treating water, measuring instruments, and photo-electric apparatus, has formed a Madrid subsidiary, BRAN & LUEBBE IBERICA SA.

** TRW-THOMPSON RAMO WOOLDRIDGE INC, Cleveland, Ohio (see No. 329) and its subsidiary RAMSEY CORP, Manchester, Montana have together taken 51% and consequently control of GEMMER-FRANCE SA, Suresnes, Hauts-de-Seine which is a major French producer of manual and assisted steering gear for cars. TRW already had a 49% share through ROSS GEAR & TOOL CO INC, Lafayette, Indiana which it took over in 1964 and changed into a "Division". In France, TRW also has 65% in the piston-ring manufacturer STE MECANIQUE DE PRINGY, Pringy, Haute Savoie, through THOMPSON RAMO WOOLDRIDGE INTERNATIONAL SA, Geneva, which was formed in 1960 to represent its parent firm in the Common Market.

Elsewhere in Europe, the group has a sales subsidiary in Switzerland, ROSS GEAR & TOOL Sarl, Geneva and a 50% share in the German car-valve and piston-ring firm TEVES-THOMPSON & CO GmbH, Barsinghausen; the other 50% belongs to ALFRED TEVES MASCHINEN- & ARMATUREN FABRIK KG, Frankfurt (see No. 284). In Britain TRW's offer for the purchase of CLIFFORD MOTOR COMPONENTS LTD, Birmingham has just been accepted. This company makes automatic valves, gear-boxes and steering gear.

Finally, its Division TRW SPACE TECHNOLOGY LABORATORIES, Redondo Beach, California has just signed an agreement with ENGINS MATRA SA for the purchase of a 49% minority share in MATREL SA (the French company holds the majority share) which is being formed in Paris to carry out various kinds of space-research (space vehicles, ground installations, pre-launching tests, telemetry, tracking and remote control of satellites etc.).

** The Belgian agricultural machinery group MELOTTE has formed a subsidiary COMA-PREX SA, Wavre to service all plant and spare parts. The new company has a capital of Bf 2 million, which is owned 80% by ECREMEUSES MELOTTE SA, Remicourt (which specializes in dairy equipment) the remainder being held mainly by CHARRUES MELOTTE SA, Gembloux with 17% and the group's French subsidiary with 2%.

Abroad the Belgian group has MELOTTE ITALIA SpA, Trezzano Sul Navigo and STE FRANCAISE DES MACHINES AGRICOLES MELOTTE SA, Givet, Ardennes.

** PITNEY-BOWES INC, Stamford, Connecticut (office and printing machines - see No. 171) has acquired two new Common Market subsidiaries by taking control of the New York company THOMAS COLLATORS INC, (see No. 240) which specializes in plant for printing, art-printing and copy-printing. Thomas Collators controls the Brussels companies THOMAS COLLATORS EUROPEA and COLLATEURS AUTOMATIQUES SA (the latter will run a factory now being built at Boussu).

Pitney-Bowes has four subsidiaries of its own in the Common Market: ADREMA-WERKE GmbH, Berlin, DEUTSCHE PITNEY-BOWES GmbH, Frankfurt, ADREMA PITNEY-BOWES Sarl, Paris and ADREMA PITNEY-BOWES SpA, Milan.

** DEUTSCHE PRAEZISIONS-VENTIL GmbH, Hattersheim, Main (capital Dm 1.5 million) has formed a French branch at Bois-Colombes, Hautes-de-Seine with M. Andre Bobe, Paris, as director, to distribute its "Valve Precision" valves. The parent company is a 100% subsidiary of PRECISION VALVE CORP, New York: it was formed at Frankfurt in June 1961 (see No. 118) as DEUTSCHE PRAECISION VALVE GmbH, (capital Dm 200,000).

** One of the world's largest cutlery firms, J.A. HENCKELS ZWILLINGSWERK AG, Solingen, and IMPERIAL KNIFE ASS. CO INC., New York have joined 50-50 in setting up J.A. HENCKELS IMPERIAL, GmbH, Solingen (capital Dm 20,000) to design, develop, manufacture and sell knife-blades for electric carvers in which the American company specializes.

This is the American company's first European connection. The German founding firm is 95% controlled by the family-owned holding company J.A. HENCKELS & CO KG, Solingen and has a large number of agents and representatives in other countries. It also has four foreign 100% sales subsidiaries: J.A. HENCKELS TWINWORKS INC, New York, HENCKELS (CANADA) LTD, Toronto, HENCKELS ZWILLINGSWERK (NEDERLAND) NV, Vroomshoop, Den Ham and TVILLINGE STAAL A/S, Copenhagen.

** STE CENTRALE DES EMBALLAGES ALUMINIUM SA, recently founded in Paris (see No. 326) under the PECHINEY group through CEGEDUR -CIE GENERALE DU DURALUMIN & DU CUIVRE SA, Paris, has increased its capital from Ff 10 million to Ff 11,675,000. The increase has been contributed by another company in the group MANUFACTURE METALLURGIQUE DE TOURNUS SA, Tournus, Saone et Loire (capital Ff 7 million) in the form of certain assets, mainly its aluminium packaging plant at Tournus. Cegedur intends to set up an aluminium packaging-plant at La Fleche, Sarthe for food-products: the plant will occupy a site of approximately 32 acres and will be employing about 150 people by the end of 1966 (eventually about 500 people).

** METAL FLO CORP, New York, which has invented or developed several methods and various types of equipment for processing metals, has formed METAL FLO ITALIANA SpA in association with the Italian group BOMBRINI-PARODI-DELFINO SpA, Rome. The new company will build a factory in Southern Italy with three "Flo" metal presses for the manufacture of washing-machines, compressed-air reservoirs, heating equipment reservoirs, etc.

The American company recently (see No. 337) formed the German company DEUTSCHE METAL FLO GmbH 50-50 with PHOENIX-RHEINROHR AG VER HUETTEN- & ROEHRENWERKE, Düsseldorf (AUGUST-THYSEN HUETTE AG group of Duisburg-Hamborn). The new company will operate some of the American firm's wire-drawing processes in a plant at Dinslaken. The Italian group, which recently increased its capital to Lire 7,000 million, heads a large group of companies engaged in various industries: chemicals (sulphuric acid, phthalic anhydride, detergents, insecticides, chemical fertilizers, resins, polyesters, etc), explosives and munitions, non-ferrous laminated and extruded metal products, trucks, natural and synthetic fibres, etc.

FINANCE

** Herr Hans Roth and Frau Emma Schelle, Munich are equal partners in the new Swiss holding company EMI GmbH, Zug (capital Sf 2 million). In January 1964 they also formed four other investment companies on the premises of the Zug branch of SCHWEIZERISCHE KREDIT-ANSTALT AG, Zurich (see No. 229): CUCHILLA GmbH, DAGH GmbH, BUKIT GmbH and AIVI GmbH. The capital of each of these four firms was recently raised to Sf 2 million.

** BANCO DE BILBAO SA, the largest Spanish deposit bank (180 branches and agencies), is opening a second French branch at Hendaye, Basses Pyrenees. It has had a branch in Paris for a number of years and has one other agency abroad, in London.

** STE POUR LA LOCATION DE MATERIEL INDUSTRIEL & COMMERCIAL SA, Paris has increased its capital from Ff 2.5 to Ff 4 million: two North American companies, HUDSON LEASING CORP, New York and LAURENTIDE FINANCIAL CORP. LTD, Vancouver, have acquired holdings of 17.5% and 6.25% respectively. The two founding companies STE DE GESTION INDUSTRIELLE & FINANCIERE SA, Paris (see No. 284 - which is a holding company of UNION FINANCIERE DE PARIS SCS - see No. 328) and CIE DES CAOUTCHOUCS DE PADANG SA, Paris (a member of the group MM, RIVAUD & CIE Snc - see No. 336) which originally held 75% and 25% respectively, now hold 56.8% and 21.8%.

Hudson Leasing (run by Messrs. E.K. Zilkha, J.B. Langner and S. Lunt) holds 39.99% in STE EUROPEENNE DE LOCATION & DE FINANCEMENT-EUROLEASE SA, Brussels, which it formed jointly with STE GENERALE DE BELGIQUE (see No. 167). In 1963 Eurolease formed EUROLEASE FRANCE (see No. 216). The Canadian firm already had interests in Europe, especially in SOFIFRANCE-STE FRANCAISE DE FINANCEMENT DE VENTES A CREDIT SA, Paris (see No. 218) and FIAMINA NUOVA SpA, Rome (see No. 324).

** ALG. BANK NEDERLAND NV (see No. 325) has formed ALGEMENE BANK NEDERLAND IN DER SCHWEIZ AG, Zurich (capital Sf 10 million - president M. H.W.A. van den Wall Bake who is president of the board of directors of the founding company). The founding company resulted from a merger at Amsterdam in 1964 between DE TWENTSCHE BANK NV, and NED. HANDELMIJ NV (see No. 256) and is now one of the two largest Netherlands banks (the other is AMSTERDAM-ROTTERDAM BANK NV - see No. 318). It has a large number of foreign subsidiaries in Hong-Kong, India, Japan, Libya, Malaysia, Pakistan, Saudi Arabia, Tanzania, Uganda and USA: its affiliated banks are SW BLYDENSTEIN & CO LTD, London, (see No. 236), INTERNATIONALE HANDELS - & DIAMANTBANK NV, Antwerp (see No. 66), BANQUE JORDAAN SA, Paris (see No. 241), MEDITERRANEAN BANK LTD, Gibraltar, STE HOLLANDAISE DE BANQUE & DE GESTION, Tangier, MERCANTILE BANK OF IRAN & HOLLAND, Teheran, DE SURINAAMSCHE BANK NV, Paramaribo, NV EDWARDS, HENRI-QUEZ & CO'S BANK, Willemstad and ARUBA COMMERCIAL BANK, Oranjestad.

FOOD & DRINK

** LES FRIGORIFERES DU LITTORAL SA, Ostend (capital Bf 61.8 million - see No. 331) holds 99% in its new frozen food sales subsidiaries STE FRANCAISE LES FRIGORIFERES DU LITTORAL Sarl, Paris (capital Ff 10,000 - manager M.C. Chauveau of Ablon, Val-de-Marne). The remaining 1% is held by M.J. van der Schueren, Uccle-Brussels.

The Ostend firm is controlled by SA DES PRODUITS SURGELES FRIMA, Ostend (formerly VIKING INTERNATIONAL SA) and a minority shareholding is held by GORTON'S OF GLOUCESTER INC, Gloucester, Massachusetts (sea food preservation - see No. 253). The main shareholders in the founding company are CCCI-CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE SA, Brussels (44%) and STE GENERALE DE BELGIQUE SA (through TRACTION & ELECTRICITE SA). Its frozen food products are sold in Belgium by STE GENERALE DE DISTRIBUTION-SOGEDI SA, Brussels in which 75% control was recently obtained by CCCI (see No. 331).

** The group P. DE GRUYTER & ZOON NV, 's-Hertogenbosch (capital Fl 24.1 million - chocolate, biscuits and other foods) has increased the capital of its Cologne subsidiary DEUTSCHE KWATTA KAKAO- & SCHOKOLADENFABRIK GmbH from Dm 4.1 to 6.6 million.

In the Netherlands, the group's main holdings are in the department store firm WINKEL-CENTRUM AMSTERDAM-NOORD NV, Amsterdam which it helped to set up in June 1964 (see No. 267): its partners in this included NED MIDDENSTANDS FINANCIERINGS MIJ VOOR BEDRIJFSOBJECTEN NV (subsidiary of NED MIDDENSTANDS-BANK NV, Amsterdam).

** The German industrialist Herr Karl L. Schweisfurth, who controls and runs a group of food manufacturers (mainly meat-pastes at Herten, Westphalia) has set up a sales company at Amersfoort ARTLAND NEDERLAND NV, in which he shares the capital of Fl 100,000 equally with one of the firms in his group, ARTLAND FLEISCHWARENFABRIK GmbH, Badbergen which makes food products from meat.

The other companies of the Schweisfurth group are: L. SCHWEISFURTH, INH KARL SCHWEISFURTH FLEISCHWAREN- & KONSERVENFABRIK (see No. 259); L. SCHWEISFURTH GmbH; KYNAS-TIERFERTIGNAHRUNGS GmbH and SCHWEISFURTH WOHNUNGSBAU GmbH, all at Harten. Also KARL SCHWEISFURTH FLEISCHWAREN- & KONSERVENFABRIK, Dachau; OSCAR DOERFFLER AG & CO KG, Blinde, Westphalia and INTERATALANTA HANDELS GmbH & CO KG, Frankfurt. The group is also established in France with SOLPA-STE LORRAINE DE PRODUITS ALIMENTAIRES SA, Villers-les-Nancy, Meurthe et Moselle and in Brazil with FRIGORIFICO SERRANO SA, Sao Paulo.

** The merger of the two Belgian biscuit manufacturers DE BEUKELAERS FABRIEKEN, BISCUIT & SCHOKOLADE NV, Herentals and MANUFACTURE DE BISCUITS PAREIN SA, Antwerp, which have become GENERAL BISCUIT CO (GBC) SA, Herentals (see No. 320), has been extended to France where DE BEUKELAER FRANCE SA, Roubaix (capital Ff 200,000) has been taken over by BISCUITS-PAREIN-FRANCE SA, Bondy, Seine-St-Denis. The last was formed in November 1962 (see No. 179) and has now increased its capital from Ff 500,000 to Ff 625,000 and has changed its name to GENERAL BISCUITS SA.

The Belgian group, which recently gained control of the Italian firm GUGLIELMONE BIS-COTTI SpA, Mortata (capital lire 450 million), is one of the largest biscuit makers in Europe. It also has subsidiaries in W. Germany, FLAEMISCHE KEKSFABRIK ED. DE BEUKELAER KG, Kempen, North Rhine; and in Britain WATFORD BISCUIT CO LTD, Watford, Hertfordshire.

** INDUPAG-STE POUR L'INDUSTRIALISATION & LA COMMERCIALIZATION DES PRODUITS AGRICOLES & L'ELEVAGE SA (capital Bf 21 million) has been formed at Brussels. The founders are CCCI-CIE DU CONGO POUR LE COMMERCE & L'INDUSTRIE SA, Brussels (see No. 331 - 16% holding), AGRICOM-STE DE GESTION & DE FINANCEMENT D'ENTREPRISES AGRICOLES, INDUSTRIELLES & COMMERCIALES SA (36.8%), COTONCO-CIE COTONNIERE CONGOLAISE SA (25.8%), SOCOBOM-STE AGRICOLE D'OUTRE-MER SA (10.7%), AGRIGES-STE POUR LE DEVELOPPEMENT AGRICOLE & INDUSTRIEL SA (10.1%) and PROFRIGO-CIE DES PRODUITS & DES FRIGORIFERES DU CONGO SA (0.6%). The business of the new firm will be the production, processing, treatment, selling, transport, preservation and storage of agricultural foodstuffs and meats.

The founders, who have many interests in Africa, have transferred to the new company the whole of the projects, research and work in hand of their agricultural and industrial study group relating to the Common Market countries.

OFFICE EQUIPMENT

** ANKER-WERKE AG, Bielefeld (see No. 319), the office machinery manufacturer, has set up a 100% subsidiary ANKER-DATENSYSYSTEM VERKAUFS-ZENTRALE IN-LAND GmbH, Bielefeld, a central buying and sales company which will control distribution in West Germany through the 12 sales subsidiaries (at Berlin, Bielefeld, Düsseldorf, Essen, Frankfurt, Hamburg, Karlsruhe, Cologne, Munich, Nuremberg, Saarbrücken and Stuttgart). Anker-Werke makes accounting machines, cash-registers, franking-machines, etc., and is more than 90% owned by the Kramer and Zur Nieden families. It has a large manufacturing subsidiary, also at Bielefeld, ANKER-PHOENIX NAEHMASCHINEN AG (sewing machines).

OIL, GAS & PETROCHEMICALS

** STANDARD OIL CO OF NEW JERSEY (see No. 339) is increasing its European holdings by setting up a refinery to the north of Metz, Moselle, and beside the Moselle canal, which will have an annual output of 3 million tons and should be in operation before 1970. Negotiations are in progress to associate French interests with this project, namely CFR - CIE FRANCAISE DE RAFFINAGE SA (see No. 331) and ANTAR-PETROLES DE L'ATLANTIQUE SA (see No. 338), who already have a share in STE DU PIPE-LINE STRASBOURG LORRAINE Sarl, Paris (capital Ff 130,000), which is setting up a pipeline for finished products between Strasbourg, Metz and Nancy. Standard Oil Co recently gained control of the Swiss refinery RAFFINERIES DU RHONE SA, Collombey, Muraz (see No. 329) and the British sales organization of AGIP SpA (see No. 331) and took a share in the German company RUHRGAS AG, Essen (see No. 334).

In addition, the group intends to continue reorganizing its petrochemical business (see No. 339) by forming a special subsidiary in France for this purpose. In this field the new London company ESSO CHEMICAL LTD is going to invest £7 million in a plant at Fawley, Southampton. This will be an aromatic fuel factory with an initial output (by the middle of 1968) of 250,000 tons a year. It will be supplied by the group's refinery at Fawley, whose output in the meantime will be increased from 11.5 million tons to 16.5 million tons, and it will export a large proportion of its production to Western Europe.

** DORIS - DEVELOPPEMENT OPERATIONNEL DES RICHESSES SOUS-MARINES Sarl (capital Ff 1 million) has been formed at Paris (manager M. J. Lamy). It is an engineering company engaged in off-shore research, utilizing the experience gained by SEGANS - STE D'ETUDES DU TRANSPORT & DE LA VALORISATION DES GAZ NATURELS AU SAHARA Sarl (see No. 260), a firm formed by BRP - BUREAU DE RECHERCHES DE PETROLE but now inactive.

The largest interest in the new firm is 45% held by the state-owned group ERAP - ENTREPRISES DE RECHERCHES & D'ACTIVITES PETROLIERS (see No. 339). The other shareholders are STE DES GRANDS TRAVAUX DE MARSEILLE SA, Paris (see No. 330), ENTREPOSE - STE D'ENTREPRISE & DE POSE POUR TOUS PRODUITS TUBULAIRES SA, Paris (see No. 330) and S.N. MAREP - STE NATIONALE DE MATERIEL POUR LA RECHERCHE & L'EXPLOITATION DU PETROLE SA, Paris (see No. 304), all of which have 15%, and FLOPETROL - STE AUXILIAIRE DES PRODUCTEURS DE PETROLE SA, Paris (see No. 249) with 10%.

** The petrol and oil distributing company UNION TREIBSTOFF GmbH (original capital Dm 1 million since raised to Dm 40 million) continues to expand in the German market and has opened branches at Spire and Sarrebruck (one was set up at Friburg in September, 1963). Union Triebstoff was formed at Düsseldorf (see No 189) in January 1963 by UGP-UNION GENERALE DES PETROLES, Paris (see No 336) with a minority shareholding taken by STE NOUVELLE CONTINENTALE & MARITIME SA, Paris (linked to the group MODIANO): it exploits UGP's "Elf" brand and already has 45 filling stations in the Saar, Ruhr and the Friburg and Mannheim areas.

** PETROFINA SA, Brussels has increased its direct control in the Paris company PETRONAPhte SA from 70% to 75%. Petronaphte has just increased its capital from Ff 5 million to Ff 6 million. Its other shareholder is the investment company PETROFINA FRANCAISE SA, Paris and it specializes in importing and distributing lubricating oils through large rail- and road-tanker depots at Bordeaux, Lorient, Lyons, Nanterre, Port-St-Louis du Rhone and Strasbourg; Petronaphte is also the French distributor for the lubricating additives produced at Antwerp by AMOCO FINA SA, an equally-owned subsidiary of the Belgian group and STANDARD OIL CO OF INDIANA, Chicago (see No 329).

** TEXACO INC, New York (see No 333) has increased the capital of its Brussels subsidiary TEXACO BELGIUM SA from Bf 70 million to Bf 74,528,000 and two branches of its Dover, Delaware subsidiaries, TEXACO EUROPE LTD and TEXACO PRODUCTION SERVICES LTD have been opened on its Brussels premises (directors Mr H.P. Brown and Mr R.N. Harding respectively).

PAPER & PACKAGING

** In order to increase its German sales of cartons and cellulose, INTERNATIONAL PAPER CO, New York (see No 278) has formed INTERNATIONAL PAPER CO (EUROPE) GmbH (capital Dm 50,000), which is under the direct control of INTERNATIONAL PAPER CO (EUROPE) LTD of Zurich, the 100% subsidiary responsible for the group's sales promotion in Europe.

Until now, the Zurich company's only German shareholding has been 50% in HCH. SIEGER GmbH, Cologne (cartons), the other 50% being held by HCH. SIEGER PAPIER & WELL-PAPPENWERKE KG (belonging to the German family Sieger). Its other European interests are in France, Italy and Britain. (1) In France it has two Paris sales subsidiaries, INTERNATIONAL PAPER (FRANCE) SA (paper, cardboard and derivatives) and INTERNATIONAL PAPER (CELLULOSE) SA (wood pulp and cellulose products); 50% of the capital of the BARREZ group which includes CARTONNAGES & IMPRESSIONS BARREZ SA, Drancy, Seine-St-Denis, STE NORMANDE DE CARTON ONDULE SA, Rouen, Seine-Maritime and STE MEDITERRANEENNE D'EMBALLAGES SA, Arles, Bouches-du-Rhone. (2) In Italy it owns 50% in SILCA-SOCIETA INTERNAZIONALE LAVORAZIONE CARTA & AFFINI SpA, Milan. (3) In Britain it controls the London sales companies INTERNATIONAL PAPER (CELLULOSE) LTD (pulp and cellulose products), BRITISH INTERNATIONAL PAPER LTD (newsprint) and BARRAND COX LTD (corrugated cardboard). It also holds 50% in LIQUID PACKAGING LTD, London (packaging for fruit juice, milk etc), the other 50% being held by METAL BOX CO LTD, London (see No 297).

** The New York paper, cardboard and pulp producer WEST VIRGINIA PULP & PAPER CO (about 1,500,000 tons in 1965) has formed its first direct European subsidiary at Brussels: this is a sales company WESTVACO EUROPA SA which will cover ten European countries. The American company is already represented commercially in Europe by the Paris company SPIA-STE DES PRODUITS POUR L'INDUSTRIE & L'AGRICULTURE Sarl (chemical materials, paper by-products) and in London by FRANK CROSSLEY & SON LTD and FOY'S WOODPULP LTD (paper-pulp and paper; etc).

The group employs about 13,000 in its own factories and its main interests are centred in the American continent (USA and Brazil).

** To facilitate expansion, STE DES PAPETERIES DE FRANCE SA, Paris (see No 336) has formed STE D'ETUDES PAPETIERES AU CANADA SA, Paris (capital Ff 250,000). The founder is M. P. Rigaut, president of Papeteries de France.

The group has 3,000 employees and owns a large forest area in France: it has 8 factories (wood pulp, paper and cardboard) at Lancey, Brignoud and Pontcharra, Isere; Alfortville, Val-de-Marne; Deluz and Genouille, Doubs; Savoyeux, Haute Saone and Montech, Tarn et Garonne. Its other interests in France are STE DE LA CELLULOSE DU RHONE SA, Paris, STE CALAISIEENNE DE PATES A PAPIER SA, Calais, LE BOIS FRANCAIS DE PAPETERIE SA, Paris, etc.

PHARMACEUTICALS

** The American pharmaceutical group SMITH KLINE & FRENCH LABORATORIES, Philadelphia (see No 304) has formed a direct and almost wholly owned Italian subsidiary SpA ISTITUTO SMITH KLINE & FRENCH (capital lire 2 million). This will be a manufacturing and sales company which will also be engaged in chemical and pharmaceutical research and development. The American company already controls the Milan company RICERCA & INDUSTRIA TERAPEUTICHE-RIT SpA through its Belgian subsidiary RECHERCHE & INDUSTRIE THERAPEUTIQUES-RIT SA, Genval.

Smith Kline already has numerous interests in Europe: in Britain it controls SMITH KLINE & FRENCH LABORATORIES LTD, Welwyn Garden City, Hertfordshire, BRIDGE CHEMICALS LTD, SMITH KLINE & FRENCH (AUSTRALIA) LTD and through SMITH KLINE & FRENCH CORP, Panama, MENLEY & JAMES (AUSTRALIA) LTD: in Belgium LABORATOIRES SMITH KLINE & FRENCH SA, Brussels; in the Netherlands and France through the Genval subsidiary, RIT NEDERLAND NV, The Hague and RIT SA, Paris (formerly LABORATOIRES DUMESNIL SA); in Germany it is associated with ROHM & HAAS GmbH, Darmstadt (no financial connexion with the American group of the same name in Philadelphia) in ROHM & HAAS PHARMA GmbH, Darmstadt. In the US, subject to approval by the anti-trust authorities, the group is negotiating for control of BRANSON INSTRUMENTS INC, Stamford, Connecticut (ultra-sonic equipment, medical and surgical instruments, closed circuits, electronic relays etc) which will give the group indirect control of the Netherlands manufacturing firm BRANSON EUROPA NV, Looschecht.

PLASTICS

** REHAU PLASTIKS GmbH, Rehau, Bavaria (plastic pipes and extrusions) having raised its own capital from Dm 12.5 to 16.5 million, has now raised the capital of its French subsidiary REHAU PLASTIKS SA, Colombes, Hauts-de-Seine, from Ff 420,000 to 4.5 million. The French firm was formed in 1959 and has a factory at Morhange, Moselle, which processes plastics for the automobile industry. The parent firm has many foreign interests (see No 273).

PRINTING & PUBLISHING

** The London publishers CAXTON HOLDINGS LTD, who publish technical, scientific and art books and periodicals, have entered the Common Market through their subsidiary CAXTON PUBLISHING CO LTD. The latter has formed a almost 100% subsidiary at The Hague, CAXTON (NEDERLAND) NV (capital Fl 10,000) to publish and sell books; it will be run by Mr L.C. Shilling of Rickmansworth, England and Mr E.N. Persson of Copenhagen.

In Britain the group controls CAXTON PUBLISHING CO LTD; THE ALCUIN PRESS (WELWYN) LTD; THE METROPOLITAN ART CO LTD; MOONFLEET PRESS CO LTD and THE CAXTON ADVERTISING AGENCY LTD (inactive at the moment). In Sweden it is represented by CAXTON SWEDEN A/B; in Canada by THE CAXTON PUBLISHING CO OF CANADA LTD (inactive) and in the USA by CAXTON PUBLISHING CO IN US (inactive).

** The London publishing group PERGAMON PRESS LTD (chairman Mr I.R. Maxwell) has consolidated its West German interests: in association with its New York subsidiary PERGAMON PRESS INC, it has set up PERGAMON PRESS GmbH, Brunswick (capital Dm 500,000). This firm will take control of the Brunswick publishers FRIEDR. VIEWEG & SOHN VERLAG & DRUCKEREI oHG from the Waldankat family, and change it into a limited company (GmbH). Vieweg will however continue in the line of business it has carried on since its foundation in 1786, publishing technical and natural science books and periodicals, learned books and educational material.

The British group, which for 1964-1965 showed a net profit of about £800,000 (80% of its production was exported) also specializes in scientific, technical and scholarly publications. The group has a capital of £400,000 and three subsidiaries in Britain, PERGAMON PRESS (SCOTLAND) LTD, MAXWELL SCIENTIFIC INTERNATIONAL (1964) LTD and BUCKINGHAM PRESS LTD. Abroad, it has interests in France (a bookshop in Paris and a share in EDITIONS GAUTHIER-VILLARS SA, Paris) and also in Australia, Canada, India and Japan; it is planning to set up in Nigeria.

RUBBER

** The German producer of rubber and plastics PHOENIX GUMMIWERKE AG, Hamburg-Harburg (see No. 302) has bought 25% in the Frankfurt slipper and light shoe manufacturer I. & C.A. SCHNEIDER GmbH from the Abs family and 25% from the trust company, HAENEL & DOERRIES GmbH, Düren. The group will be now associated in it with DEUTSCHE BANK AG, Frankfurt and the shoe manufacturers DORNDORF SCHUHFABRIK GmbH, & Co, Zweibrücken who are retaining their respective interests of 25%.

Phoenix, whose capital was recently raised to Dm 50 million, is owned by the Moritz Schultze family, the Munich insurance company MUENCHENER RUECKVERSICHERUNGSGES AG (see No. 335) and THE FIRESTONE TYRE AND RUBBER CO, Akron, Ohio (see No. 302).

In Germany, Phoenix has complete control of INTERNATIONALE GALALITH GmbH, Hamburg-Harburg (plastics), CELLER KNOPFABRIK SEINECKE & CO GmbH, Celle (buttons), METALLGUMMI GmbH, Hamburg-Harburg (rubber-coated metal products, rubber fittings for engines, rubber-coated metal couplings etc) and its subsidiary ENTWICKLUNGS GmbH FUER ELASTICHE GELENKE & FEDERELEMENTE, Hamburg-Harburg (research and development); the group also has interests (4.5% and 3% respectively) in the Dortmund firms DEUTSCHE GASRUSSWERKE GmbH & CO KG and DEUTSCHE GASRUSSWERKE GmbH (carbon-black). In France, through its holding company INTERRUB SA, Geneva, it controls PHOENIX CAOUTCHOUC FRANCE SA, Paris and PHOENIX INDUSTRIE DU CAOUTCHOUC SOUPLE SA, Pont-de-Chery, Isere.

** PHILLIPS PETROLEUM CO, Bartlesville, Oklahoma, (see No. 337) having had to give up its project for a French synthetic rubber factory at Ambes, Gironde (see No. 307) for which it had formed STE DES OLEFINES D'AQUITAINE SA, Paris (capital Ff 8,632,000) and then considered locating this project at the "Europort" at Rotterdam, will now locate it at Antwerp. The new factory will come into operation early in 1968 and will have an annual output of 55,000 tons: it will manufacture "Solprene" rubbers (stereospecific polymers of butadiene and styrene - butadiene) intended in the main for automobile tyres, footwear and cables. Its partner will be PETROFINA SA, Brussels (see No. 338) with which it is already linked in PETROCHIM-STE CHIMIQUE DES DERIVES DU PETROLE SA, Antwerp (see No. 337) and in which they both hold 41%.

Petrochim is building a "steam-cracking" plant with an initial annual output (in 1967) of 250,000 tons of ethylene (which can be raised to 450,000 tons). This plant will supply the future Antwerp factory as well as the low pressure polyethylene factory (annual capacity of 600,000 tons) which recently (see No. 334) was the subject of an agreement between the American group and RHONE-POULENC SA, Paris (see No. 338). Negotiations on this factory also took place with UCB-UNION CHIMIQUE BELGE SA, Brussels (see No. 337).

TEXTILES

** The Swedish firm which makes ready-made clothes for men, women and children, VARNAMO KONFEKTIONS A/B, Varnamo (capital Kr 1 million) has opened a Berlin branch, which is its first German interest.

** The German spinning and weaving firm ALBRECHT DENK GmbH, Brennet, Säckingen, which set up a Swiss holding company CEDESA GmbH, Zug (capital Sf 2 million) in May 1962, has now set up a second one, ADEGE INVESTMENT GmbH, Zug (capital Sf 535,000) with nearly complete control (as in the case of Cedesa).

The German firm (capital Dm 500,000) is a 100% subsidiary of MECH BUNTWEBEREI BRENNET, Brennet, and is a sister firm to BAUMWOLLSPINNEREI & WEBEREI LAMPERTS-MUEHLE AG, Lampertsmühle, WOHNBAU BRENNET GmbH and WOHNBAU SONNENRAIN GmbH, Brennet. The group belongs to the Denk family which has several other holding companies at Zug: SOPHIA INVESTMENT GmbH (see No. 236), BRENNET INVESTMENT GmbH, CARLOS INVESTMENT GmbH, EUGENIO INVESTMENT GmbH (see No. 281), etc.

** The agreement signed two years ago (see No. 260) between the textile groups BURLINGTON INDUSTRIES INC, Greensboro, North Carolina (see No. 296), SCHAPPE SA, Geneva (see No. 291) and TEXTIL SA, Paris (now being taken over by PRICEL SA - see No. 330) has now been extended to Spain: SCHAPPE-TEX ENTREPRISES has taken a 50% share in FIBRAS TEXTURADAS SA, Mollet, Barcelona. This is a synthetic fibres firm previously owned by Burlington Industries and two associates of the Dutch group AKU - ALG. KUNST-ZIJDE UNIE NV, Arnhem (see No. 333): LA SEDA DE BARCELONA, Barcelona, and PERLOFIL SA, Madrid.

Under the agreement the three parents had previously formed SCHAPPE-TEX ENTREPRISES SA, Basle, taking one third each: through that company they also formed DEUTSCHE SCHAPPE-TEX GmbH, Zell-im-Wiesenthal (see No. 265), SCHAPPE-TEX AG, Basle (see No. 263) and SCHAPPE-TEX Sarl, Lyons (see No. 291).

** CELANESE CORP OF AMERICA, New York, has negotiated the purchase of three French firms (see No. 335): PEY & FOREST & CIE SA, Lyons, ETS GAUDIN & CIE, Bourgoin, Isere, and ETS PAUL MERLE SA, Lyons. The prices are Ff 12, 10 and 8 million respectively.

The American group is also interested in ETS ADOLPHE BREYNAT SA, Valence, Drome (capital Ff 320,000 - president M. J. Breynat) which employs 170 people in a dyeing and finishing factory at Beaumont-les-Valence and has an annual turnover of Ff 4 million.

** The British elasticized fabrics manufacturers CLUTSOM & KEMP LTD, Coalville, Leicestershire, are continuing their expansion abroad by forming a manufacturing subsidiary in the Common Market. Negotiations are being concluded with French interests, who will be minority shareholders in a firm which is being set up to supply the whole Common Market.

The group, which has a turnover of £7,940,000 (including £1,120,000 worth of exports) controls about a dozen companies in Britain. At the end of 1964 it gained control of the Swedish firm AUG. WICKMAN & HOLLYFORM A/B, Gothenburg (acquired by its subsidiary EVERLASTIC LTD, Beeston, Nottinghamshire). Sir D. Perrott is chairman of the group and its main supplier is DU PONT DE NEMOURS for its "Spandex" and "Lycra" yarns.

** Through one of its Swiss holding companies, ARWA HOLDING SA, Chur, the German stocking manufacturer ARWA FEINSTRUMPFWERKE HANS THIERFELDER, Bischofswiesen, Berchtesgaden (see No. 217) has formed a property subsidiary, ARIMOWA GRUNDSTUCKSVERWALTUNGS GmbH, Friedrichstadt, Eider (capital Dm 20,000). The

new company will be managed by M. J.C. Wenger, Zurich, and M. A. Honck, Friedrichstadt. Arwa Holding controls several group companies including ARWA CALZE Srl, Milan, ARWA NV, Amsterdam, ARWA Sarl, Paris, ARWA Sprl, Brussels, ARWA STRUMPF AG, Zurich, and ARWA FEINSTRUMPF GmbH, Vienna.

** The foreign manufacturing interests of the group FILATURES PROUVOST & CIE - LA LAINIERE DE ROUBAIX SA (see No. 318) has taken a minority shareholding in the combed wool spinning factory ESTAMBRERA ROIJANA SA, Logrono (capital Ptas 60 million) whose name has been changed to PROUVOST-ERSA SA. The French group uses the brand names "Pingouin", "Korrigan", "Lesur", "Welcome-Moro", "Rodier", "Jil", "Stemm", "Lacoste", "Madrigal", etc.: it has wide foreign interests (see No. 281) especially in the USA, while in Europe it controls PROUVOST & LEFEBVRE GmbH, Düsseldorf, CIA LANIERA ITALO-FRANCESE SpA, Milan, SABLIF - STE BENELUX DES LAINES DE FRANCE SA, Brussels, PROUVOST & LEFEBVRE AG, Zug, FRENCH WOOLS LTD, London, etc.

** CONFECTIE ATELIERS CHAS. MACINTOSH, Terwinselem (capital Fl 5 million) has gained control of two other Dutch clothes manufacturers NV KLEDING-INDUSTRIE DE VRIES & SUSAN, Amsterdam, and NV BECE ATELIERS HEREN & JONGENCONFECTIE-INDUSTRIE, Maastricht, both of whom specialize in men's and boys' wear.

De Vries & Susan (see No. 320) has direct, wholly-owned subsidiaries at St. Josse-ten-Noode (DE VRIES & SUSAN SA BELGE) and in Paris (DE VRIES & SUSAN-FRANCE Sarl) and representatives in Luxembourg, Aix-la-Chapelle, Lausanne, Oslo, etc. It recently formed (see No. 313) CHANRAY (NEDERLAND) NV, Amsterdam, and CHANRAY BELGIUM NV at St. Josse-ten-Noode 50-50 with CHANRAY LTD, London; both these new firms distribute textiles imported from Hong Kong by the British parent firm.

TRANSPORT

** TRASPORTI AEREI PEGASUS Sagl, Castagnola, Ticino, has increased its capital from Sf 20,000 to Sf 220,000: the shareholding of Dr. E. Thyssen-Bornemisza has now gone up from 90% to 99.1%. The company is one of the Swiss firms of the THYSSEN-BORNEMISZA group of The Hague (see No. 338) and was formed in December 1962 for air transport. The group also controls SA DI NAVIGAZIONE MARITTIMA DORADO, Castagnola, Ticino (capital Sf 3 million - president M. H.H. Thyssen-Bornemisza) founded in September 1964 (see No. 270).

VARIOUS

** SNPA - STE NATIONALE DES PETROLES D'AQUITAINE SA (see No. 335) is planning to form AQUITAINE FISONS LTD, Loughborough, which will in the first place be responsible for selling in Britain a wide range of French chemical products ("Rilsan" and other polyamides, "SAN" acrylonitril-butadiene styrene, "ABS" polystyrene, polyethylene, etc.). SNPA will be 50-50 partners with FISONS LTD, Felixstowe, Suffolk, which

sells "Rilsan" in Britain.

This is part of SNPA's plan to extend its chemical business; it made 140,000 tons of various products in 1965. In France it is reorganizing by merging AQUITAINE-PLASTIQUES Sarl and ORGANICO SA (see No. 304) under AQUITAINE-ORGANICO SA, Paris. SNPA has several sales companies abroad, AQUITANIA KUNNSTOFF GmbH, Düsseldorf, AQUITANIA Sarl, Milan, and LANG & CO RIVESTIMENTI SpA, Milan (see No. 313).

Fisons is the largest European producer of compound fertilizers and has an annual turnover of some £82 million. It previously made an agreement with STAATSMIJNEN IN LIMBURG, Heerlen (see No. 337) to set up a caprolactam factory in Britain, to be run by a company formed for that purpose in London, NYPRO (UK) LTD (see No. 283); FISON'S FERTILISERS LTD and the Dutch group share in it 24-76.

** L.T. FREDMAN SA, Paris (capital Ff 6.3 million: headed by M. L.T. Fredman - see No. 331) has been split up between four companies, each of which has been formed with an initial capital of Ff 10,000. They are:-

- (1) THELCOFRED - THERMO ELECTRO COMPOSANTS FREDMAN SA (capital immediately raised to Ff 1.1. million), which takes over representation of the Swedish group A/B KANTHAL, Hallsthammar (see No. 136);
- (2) FREDMAN & CIE SA (capital raised to Ff 1.23 million) which takes over the distribution of hard metals and stainless steel sheets and wire produced by the Swedish companies SODERFORS BRUK A/B, Söderfors, and STORA KOPPARBERGS BERGSLAGS A/B, Falun;
- (3) L.T. FREDMAN SA (capital immediately raised to Ff 6.5 million), which will represent the other Swedish metal firms previously represented by L.T. Fredman (see No. 330) and a shareholding in LE BURIN Sarl, Paris (capital 1.04 million), which employs about 60 workers in its factory at Bobigny, Seine-Saint-Denis;
- (4) GEP - FREDMAN GESTION, ETUDES & PARTICIPATIONS FREDMAN SA (capital raised to Ff 6.75 million), which acquires various properties in Paris.

January 20, 1966

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Burlington Industries	O	Hudson Leasing	I
des Caoutchoucs de Padang	I	Imperial Knife	H
Carmin	E	Industrielle des Telecommunications	F
Caxton Publishing	N	International Paper	L
CCCI	J		
Cegedur	H	Kast-Ehinger	E
Celanese of America	P	Kurt Ladendorf	F
Centrale des Emballages Aluminium	H		
Charrues Melotte	G	Laurentide Financial	I
Clutsom & Kemp	P	Location de Materiel Industriel	I
Cotonco	J		
		Macintosh, Chas.	Q
Denk	O	Manufacture Metallurgique de Tournus	H
Depret Freres	D	Matra Sports	D
Deutsche Kwatta	J	Matrel	G
Deutsche Präzisions-Ventil	G	Melotte	G
		Metal Flo	H
Ecremeuses Melotte	G		
EMI	H	Nord Aviation	D
Engins Matra	D, G		
Entrepose	K	Olefines d'Aquitaine	O
ERAP	K	Organico	R
Esso Chemical	K		
Estambrera Roijana	Q	Papeteries de France	M

Pechiney	p.H
Pergamon Press	N
Petrochim	O
Petrofina	L,O
Petronaphte	L
Pey & Forest	P
Philips Petroleum	O
Phoenix Gummiwerke	O
Pitney-Bowes	G
Precision Valve	G
Produits Surgeles Frima	I
Profrigo	J
Quinton Hazell	F
Ramsey	G
Rehau Plastiks	N
Schappe-Tex Enterprises	O
Schneider, I. & C.A.	O
Segans	K
Smith, Kline & French	M
S.N. MAREP	K
SNPA	Q
Socobom	J
Standard Oil of New Jersey	K
Telic	F
Texaco	L
Thomas Collators	G
Thompson Ramo Wooldridge	G
Thyssen-Bornemisza	Q
Trasporti Aerei Pegasus	Q
TRW Space Technology Laboratories	G
Union Treibstoff	L
Varnamo Konfektions	O
VDO Tachometer Werke	F
Vieweg & Sohn	N
de Vries & Susan	Q
West Virginia Pulp & Paper	M