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A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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December 5 - 11, 1966

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December 15, 1966.

No 387

# *Opera Mundi* **EUROPE**

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

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## 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  
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## COMMENT

## A Letter from Bonn

## THE GERMAN COALITION AND EUROPE

The surprising thing about the formation of the new German Free Democrat /Christian Democrat coalition government is that in the talks that led up to it, Community problems figured far less than Franco-German relations, Germany's role in NATO, her standing with the USA, and the future of her policies towards Eastern Europe in the context of the current world-wide detente.

The mere fact that these were the general focal points in Foreign policy during the talks is by no means a definite indication of the priorities the new government will adopt in its European policy, but we might be able to make a shrewder guess at its nature if we bear in mind those who will be forging it. This, after all, will be the preserve of Chancellor Kiesinger, foreign affairs minister Willy Brandt, national defence minister Gerhard Schröder, economics minister Schiller and finance minister Franz-Josef Strauss. These five men hold all the future European policy of Germany in their hands, except that when their fields are concerned the floor will be given to the former and present minister of agriculture Höcherl, the economic co-operation minister Wischnewski, and the former economics minister and present treasury minister Schmlücker and the all-German affairs minister Herbert Wehner.

As regards the new Chancellor, there is no doubt that he was very well versed in European problems in the early fifties, when he sat on the Schuman Plan Consultative Juridical Committee, was a member of the Consultative Assembly of the Council of Europe and president of the government external trade commission. But Dr. Kiesinger has been Prime Minister of Baden-Württemberg for some years now, and during that time he has but shown passing interest in these problems. The general opinion in Bonn is that he will stress the need, in the coming weeks and months, to preserve the substance of the Community, and that, unlike Schröder, who never hesitated to use the Community as a shield against France when the occasion demanded, he will take good care to see to it that EEC problems do not prejudice Franco-German relations.

The stand Herr Willy Brandt takes on the Community, of course, is well known: he is convinced that it would be unrealistic to count on the establishment of a supranational European state in the near future, but he has frequently maintained that the governments of Europe "cannot, in the long run, avoid pooling their legislative powers"; in the meantime, they should bend to the task of repeated efforts to ease inter-governmental relations. Indeed, Brandt has said, quite bluntly: "The Common Market, Euratom and the ECSC should all be housed under one roof, as has been suggested". Thus it looks rather as though he is trying to speed up the process of merging the executives, and that from now on there will be less talk of the personalities involved. Thirdly, Brandt believes that "European democracy and the intergovernmental councils that embody it should be under parliamentary control: Europe should be democratized,

and this should be possible without any measure of coercion". As far as this idea is concerned, however, he is unlikely to be able to take things much further, committed as he is to the strengthening of Franco-German links, and thus frustrated by the reticence of the French government, and by the stand de Gaulle in particular has taken. The last main hopes of the new minister are closer cultural co-operation among the Six, and a more concerted policy regarding non-member countries, but he has yet to expound his ideas on how these might be contrived. In Schröder's time, moreover, these last two questions were dealt with by two secretaries of state at the Foreign Affairs Ministry: the first thing now is for the new minister of state, Jahn, who has Brandt's friendship and confidence, to acquaint himself with the issues he must handle. As yet it is too early for us to ascertain what directives Brandt will give Jahn's colleague Lahr, whose field will be the EEC's common trade policy, with particular reference to the Kennedy Round.

The Ministry of Economics, the second most important department from the European point of view, is now directed by an expert on medium term planning as proposed by the Brussels Commission, in the person of Karl Schiller. However, he has neither the knowledge nor the experience of European affairs of his predecessor, Herr Schmlücker, who from the start was passionately involved in the building of the European Community, and was therefore the only real "European" in the Erhard government. So there are some regrets that in his new post Schmlücker is somewhat removed from the European scene. It is to be hoped therefore that Schiller will refrain from creating added problems for the EEC in his own fields, especially as far as the common trade policy, the harmonisation of European trade tariffs and the common social and energy policies are concerned: the Social Democrats in opposition have too often been strongly and openly in favour of these policies for it to be conceivable that they would about-turn now that one of their side is minister of Economic Affairs.

As far as the major current EEC problem, fiscal harmonisation, is concerned, this is the preserve of the first head of the new Finance Ministry, Franz-Josef Strauss. He is also keen to see closer co-operation within the EEC on research and technology; and he favours control of foreign investment. On the whole, he can be taken to line up with Walter Hallstein's main ideas almost to the point of believing, like Kiesinger, that the essential launching pad for these principles is the development of Franco-German co-operation. The new Defence Minister, Herr Schröder, will necessarily have a more limited European role, especially as he will have to take into account the ideas of the two presidents of the coalition parliamentary groups, Rainer Barzel (CDU/CSU) and Helmut Schmidt (SPD) so far as harmonisation of European foreign policy is concerned.

Although European Community matters did not play any great part in the negotiations which resulted in the formation of the grand coalition, this was also because they were not one of the causes of the break-up of the previous CDU/FDP coalition. Or rather, the European political crisis only had a bearing on the debate through its most sensitive aspect for German public opinion: the question of relations between Germany and France, and indirectly with the United States. This was, in fact, despite the pretext of the financial and fiscal policy, the real reason for Erhard's downfall.

His difficulties on this score were to be found not only among the Social Democrat opposition, but also among a large section of his parliamentary majority. This element accused the Chancellor of putting the Franco-German co-operation treaty on one side, under the influence of his Foreign Minister Schröder, and at the same time of being over-submissive to Washington. For instance, the undertakings given by Erhard on buying weapons in the USA has caused a storm of criticism, to which he failed to give adequate answers.

All the discussions caused by the fall of the cabinet between Christian Democrats and Social Democrats and between Liberals and Social Democrats consequently revolved around foreign policy, and especially Franco-German relations, reducing the anxiety felt by the political parties about the stagnation of European development to a secondary level. The majority of the Christian Democrats, long convinced that Erhard could neither solve immediate problems of internal policy nor those of foreign policy, belonged without exception to the group of francophiles known as the "German Gaullists". It is therefore logical that this majority, which included notably the Minister of the Interior, Lücke, the president of the CDU/CSU parliamentary group, Rainer Barzel, the president of the CSU, Herr Strauss, and the Minister Heck (families and youth) should seek a change in foreign policy. It can be observed here, that apart from Franz-Josef Strauss, none of the leaders of this section of opinion have any profound knowledge of Community problems, since they have had little occasion to take a particularly close interest in them. This, of course, does not prevent them from being wholeheartedly in favour of the idea of a Common Market.

So on the whole, the backing given to Kurt Georg Kiesinger by the CDU/CSU majority can be generally explained by his choice of foreign policy, especially with regard to France; there is no doubt that this last point was a decisive one in his favour. This also means that the complaints voiced against Schröder for not using the Franco-German treaty as a trump-card in his foreign policy repertoire were decisive in barring his way to the Chancellorship. Even Schröder's efforts during the EEC crisis to prevent the break-up of the Community were not enough, in the eyes of many in his party, to make up for the cooling-off in Franco-German relations attributed to him. Kiesinger, on the other hand, insisted that an improvement in relations was "the key to any constructive policy on European matters".

During the negotiations preceding the birth of the CDU/CSU coalition, the Social Democrat view on the policy to be followed vis-a-vis France was shown to be extremely important. The SPD made no secret of the fact that it felt they should take into account the importance and influence of France at the present time. This means that the new German Government should seek new approaches to their common defence policy, with French approval. At any rate, French troops should remain on German territory until all foreign forces start to withdraw from Germany in a simultaneous East/West operation. However, as far as stationing her troops in Germany is concerned, the SPD leaders feel that France, for her part, should not lay down too many conditions.

The SPD also believes that France is even less keen than the United States on a divided Europe, and that this factor must be weighed by the German government when evolving its policy towards Eastern Europe. Furthermore, the Franco-German Treaty should be used as far as possible as a base for the development of the European Community. The Government should also apply itself to defining the sectors towards which the peaceful use of atomic energy should be orientated, and designing realistic schemes dealing with space, aeronautical and electronic research. This attitude is so similar to that of the Christian Democrats, that the latter were unable to object in any measure to Willy Brandt taking over Foreign Affairs.

Well-informed circles in West Germany believe that the Grand Coalition government will continue to have the same European policy as its predecessor, but will tend towards strict application of the spirit and word of the Franco-German Treaty and the immediate fulfillment of its more feasible aims, rather than draw up a list of ambitious, if not impossible, schemes. The first real test of the new government is about to arise, with three forthcoming events: the visit of the new Chancellor to General de Gaulle and to President Johnson, and Harold Wilson's exploratory trip to Bonn. What can Kiesinger do in Paris to reactivate the Franco-German Treaty and give a fresh impetus to Europe? Will he try to present Bonn's attitude vis-a-vis Washington as more flexible than that of the Erhard government? To what extent will he be in favour of Britain joining the Common Market, even if French opposition occurs once again? And apart from these important questions involving Western Europe, to what extent will he take up the proposals put forward by his new "All German Affairs" Minister, Herbert Wehner, for easing relations with the GDR and Eastern Europe as a whole?

The fate of the new coalition will depend on these questions, which are also vital for Europe, and they will show the amount of agreement between the new Christian Democrat Chancellor and his Social Democrat Foreign Affairs Minister.

## THE WEEK IN THE COMMUNITY

December 5 - 11, 1966

From our Correspondents in Brussels and Luxembourg

## THE COMMON MARKET:

## The Kennedy Round: Christmas or New Year Package Deal?

The EEC Council of Ministers did not succeed on December 6-7, in reaching agreement on the remaining Community offers for the Kennedy Round on a certain number of agricultural products. This should normally have been settled by November 30 at the latest. But now it will be December 21 at the earliest before the Six can agree and it seems even more likely that any decision will be put off until mid-January. But we hasten to point out that there is no significance in this delay: none of the EEC spokesmen at GATT seems in any way keen to make anything of it. This reasonable attitude on the EEC side is mainly because the Kennedy Round negotiations have virtually passed from the offer stage to the stage where the negotiators start withdrawing concessions or at least threaten to withdraw them. As well as completing their own offers, the Six are invited to take stock of the new situation, and naturally this reflection requires a certain amount of time.

M. Jean Rey, a member of the Commission and an EEC representative at Geneva, pointed this out on behalf of the Ministers. The basic result is that the tariff concessions made by both sides are on the whole pretty even for the industrial sector. In some sectors, especially in relation to the Scandinavian countries, the Six will have to make a fresh effort if they want to avoid withdrawal of some clearly defined concessions already made by these countries. At the same time there is still plenty of room to manoeuvre in this field, and optimism would be high if industrial products were independent of agriculture in the Kennedy Round. But M. Rey made no secret of his very lively concern concerning the latter. So far, the only viable offers made by the EEC in this sector have been on grain.

The continuation of the EEC discussions did nothing to ease M. Rey's mind on this score. On the contrary, the only progress the EEC Council did make was in deciding on the minimum - or the very least possible - they could offer. So in the end, the world agreement on sugar proposed by the Commission, only got as far as an offer to consolidate subsidy amounts, linked with a world reference price which has been left open, but which could be around \$ 70 - 80 a ton. The trend towards the end of the discussions was to offer nothing at all on oils. On tobacco, Italy and France were against making an offer unless it was to be accompanied by a declaration of intent setting out the basic principles of a common agricultural policy. Fruit and vegetables, the everlasting problem, left a wide gap between the extremist points of view of the perpetual rivals, the Italians and the Dutch. There was even no peace on the comparatively minor argument of fish products (tuna-fish and herrings).

M. Jean Rey made no secret of his disappointment at this kind of spirit. A few days later, speaking at the annual banquet of the Association of European Journalists, he said: "I am very doubtful about current developments. The situation is serious. The EEC must examine its conscience and improve on its offers. I was particularly disappointed to find that our offers on agriculture, which mainly concern the developing countries, seem to leave our Ministers quite unmoved. At the same time I do not think that the Six will refuse to give way. When I said that such derisory concessions on sugar, tobacco and oils could hardly be presented at Geneva, none of the Ministers contradicted me. Especially as far as the developing countries are concerned, a report of non-cooperation on the agricultural offers would be too blatant a contradiction between what the Six say and what they in fact do".

But why all this indifference on the part of the Ministers? There could be three reasons:

- 1) As M. Rey told the Press, "the Kennedy Round no longer presents any political problems for the Six, because they all want, for one reason or another, to see it completed". In fact, the pro-Kennedy Round Germans and Dutch are at present doing no more than grumbling at the waste of time: they are no longer saying that their partners are going back on solemn undertakings.
- 2) The pro-Kennedy caucus are even more cautious because they too are holding up the final agreement. On oils, for example, the Dutch are in favour of reducing the tariff protection but are not at all keen on supporting the fixing of world prices. This attitude is explained by the interests of their powerful processing industry, that is, bluntly speaking, by vested interests. France is taking a similar line on tobacco, and so is Italy, in looking for an increase in the proposed protection for fruit and vegetables.
- 3) However, Italy's position is also a reaction against the niggardliness of the concessions offered by the GATT partners in her traditional sectors of production. Now that their offers have been made, the Italians have bitterly observed that with the exception of Denmark none of the countries intended to reduce duty on wines, vermouth or cheese for example. Nearly all the countries left out shoes and were very tight on automobiles, two particularly important sectors for Italy. This brings up the disadvantage of the time-lag between the lodgment of the EEC offers and those of her GATT opposite numbers. Now that the Six know of GATT's intentions, they have taken umbrage, and this is likely to affect the content of their final offers.

M. Rey has made it plain to the Ministers that he would find it difficult in Geneva to negotiate with as slender a package as he now seems likely to bring with him. Some of them say that if this state of affairs persists, the Kennedy Round is likely to be buried in an avalanche of withdrawn concessions. But what can be done about it: how can the Six be coaxed back on to the path of greater generosity? The Commission seems unlikely to accept the lowest common denominator of the national interests - which could quite well be nearer zero. It is still employing the usual "package" system, but this time it is asking for the maximum degree of sacrifice. It would be a great pity if they



only succeeded in making up the package by making over-restrictive offers on agriculture, because the Six would then be saddled, as far as the developing countries are concerned, with responsibilities which others would be only too happy to hand over to them. For example, the United States is also not particularly inclined to fix oil prices and even less towards setting up a world sugar policy which would profit the Castro regime.

\* \* \*

#### EEC Association: Handling the Problem Cases

On December 6 and 7, the EEC Council of Ministers made some decisive, if only tentative decisions on the procedure for dealing with the requests for association presented by Israel, Spain and Austria. All three of these, to some extent and for various reasons, are seeking "association without commitment". It was agreed that the Commission should embark upon "exploratory talks" about Israel's application for association: this was hardly an irreversible directive, but it was more than a mere promise of studying the matter, which the Commission could have been asked to do by way of playing for time. Some observers have in fact suggested that, while it may not be a direct step towards Israel's association, this move at least bodes well for greater cooperation between her and the EEC.

In the case of Spain, the permanent representatives were asked to present their findings on the report produced by the Commission, and to give the matter first priority. The Community executive is even expected to be given the go-ahead to commence negotiations on December 21. The suddenness of this by no means indicates any change in the political reservations held by the Benelux countries nor the economic misgivings of Italy as regards agreements with Madrid. The root of the matter is the cautious formula the Commission evolved after its exploratory talks with Spain. In essence, this recommends, 1) That the association should involve no more than the setting-up of a free-trade area for industrial goods - this allays Italy's fears - and 2) That the operation, which should last five years, should not automatically lead on to closer integration; in other words, there should be no deeper long-term political commitment.

As for Austria, the Six gave the Commission a new directive, covering the establishment of the industrial customs union, the common agricultural policy and Austria's trade relations with the East. Other problems, such as the harmonisation of economic policies and institutions, will be dealt with in a later directive. It was quite clear, as far as those questions directly affecting Austrian neutrality were concerned, that the Council was playing safe and trying not to upset the Soviet countries which, it is generally believed, will eventually acquiesce in some sort of agreement, provided it does not conflict with their own interests. The general mood of the session was somewhat restrained, but M. Couve de Murville, who represented one of the four countries that are signatories to the treaty establishing the State of Austria, stressed most emphatically the need to give the maximum consideration to the Austrian neutrality question.

It is in the sphere of agricultural trade that this question becomes most challenging, in that the EEC's common agricultural policy, which should be adopted by Austria, demands day-to-day administration: constant consultation of this sort is scarcely compatible with the complete retention of sovereignty that Austria's neutrality demands. What we seem to be heading for at present is a solution based on the separate, but parallel, alignment of the two agricultural policies during a transitional period, during which the only tie between the EEC and Austria would be a system of reciprocal preferences. The last thing is that Italy has approved the continuation of the talks with Vienna, despite the slightly strained relations between the two countries, although Signor Fanfani was quick to stress that the Commission's directive is not comprehensive, and that the final decision must depend on the terms of the overall agreement with Austria.

\* \* \* \*

### Italian Proposals for Technological Co-operation

The EEC Council has decided to hold a special meeting during the first half of 1967 dealing with the problems of international technological co-operation. The decision to hold it was prompted by a speech Signor Fanfani gave on December 6. Both the Commission and his colleagues received copies of the Italian foreign minister's relatively detailed report, which according to the Council's communique, "set out the means he believes might be used to close the gap between Europe and the United States and the sectors where co-operation might be possible, the aim being to establish a common European technology in its own right". Signor Fanfani, the communique continues, "stresses that the Community must make a joint effort, so that it can play the scientific and technological role its economic importance calls for". Finally "the other members of the Council, and the EEC and Euratom Commissions, having praised the Italian minister's initiative, have decided that ways must be found for Europe to close the technological gap, as this threatens to damage the competitive position of its industries".

Are we faced with the beginning of an attempt to pursue the construction of Europe by indirect means, in the same way as Euratom urged matters on at Messina in 1955? Yes and no. In fact, the Italian move was really launched within the framework of the Atlantic alliance: the report Signor Fanfani put before the Six was drawn up at the request of the Council of Fifteen and is intended for that body. The Italian minister had already expressed some of his views during a recent meeting of the WEU Council - the Six and Britain. There are two factors working here: firstly, it is obvious that the Community will close the gap quicker if its effort is not made in a closed shop; co-operation with the United States and European neighbours, especially Britain, can only be of benefit to all concerned, in a sphere which requires not only immense sums of money, but also a considerable amount of grey matter investment.

The second reason is a political one. Scientific and technological co-operation is a new sphere, which might revive a Western solidarity at present showing signs of wear and tear. President Johnson has shown his interest in the problem of the "technological gap". It is also certain the British technological contribution to the Community

is a valuable asset for Harold Wilson in his talks with the Six. In his report, Signor Fanfani even mentioned prospects for co-operation between Eastern and Western Europe.

Does this mean that the Community, whether limited to the Six or enlarged, should refrain from acting as entity in this sphere? The Italian proposal in no way envisages the establishment of a European Scientific and Technological Community. The Fanfani move is not therefore the first formal step in a new, dramatic development in European integration. But there are four points to remember: 1) The problem will be the subject of a special study by the various Community institutions 2) In his speech Signor Fanfani recalled the suggestions already made by France (the Palewsky proposals), by Belgium and by the Commission (as part of the medium-term economic programme) 3) That if the technological gap is to be closed there must be a coordinated effort by State authorities, and a greater effort on the part of firms. This raises the question of their adaptation to a European market, i.e. the question of mergers, the various aspects of which are the direct concern of the EEC 4) That all technological matters are covered by the three European treaties, and that one of them, Euratom, has already had a considerable amount of experience in this sphere.

It would thus be quite understandable if the Fanfani speech, apart from its eventual "Atlantic" effects, were to be interpreted as no more than a Community move. On this point, it seems that concerted action by the Six is being frustrated mainly by the delay in merging the executives. It is difficult to imagine that a complex subject such as technology could be dealt with by three separate Communities. Unfortunately, any hopes of agreement on this knotty problem appear to be ill-founded. Mr Joseph Luns did not hide this from journalists last week. With no indication that any of the Six have changed their position, the president of the Community Councils will just ask his colleagues if they can see any reason for re-opening discussions on the matter on December 22: short of there being a "coup de theatre", however, the reply is already known.

EURATOM:

#### The Labelled Molecule Question

Over 300 experts took part in the second international conference on ways of preparing and keeping labelled molecules, organised by Euratom and held in Brussels. The presentation and discussions of nearly a hundred products labelled by stable or radio-active isotopes showed that given the wide range and specific needs of fundamental research, biology, agricultural research and medical research (especially for cancer) the range of available products was insufficient. It was thus shown that Euratom moves to form and enlarge a collection of non-commercial labelled compounds, mainly through research contracts made with universities or industrial organisations within the Community, met a demand.

M. Paul de Groote, a member of the Euratom Commission, stressed in his opening speech the importance of the Community's effort and the small funds available for its use. In fact only \$ 600,000 has been assigned to labelled molecules in the budget

of the second five-year plan. This figure is reduced even further because the specialised manufacturers have their doubts about developing the necessary isotopes, although these are for essential research work, because such developments are non-profit-making. Euratom has been able, however, to prevent a number of research projects from being dropped. The value of these was underlined by Professor Lettree from Heidelberg who has made a number of important discoveries concerning cancer, and he said "all the projects discussed at the Brussels conference have clearly shown that biological research, which includes cancer research, is not possible without the use of labelled molecules".

\* \* \*

ECSC

Development of the Community's Iron Ore Industry and Competition From Imported Ore

Luxembourg:

In the past few years, increasing supplies of high-grade ore from non-member countries have been feeding the Community's iron and steel industry, whilst home-produced ore has hardly managed to maintain its output even in absolute terms. In 1954 only one-third of ore used in the Community's blast furnaces was imported from outside, but the High Authority's experts now believe that this figure will soon reach two-thirds, if present trends continue. Already, in 1965, 58% of iron ore (iron content) used by the Community's iron and steel industry was imported.

A study carried out by the High Authority shows that up to 1960/1961, the increase in the use of imported ore in the Community, in both absolute and relative terms, was accompanied by increase - albeit at a slower rate - in the use of Community ore. Between 1960 and 1963, because of the stagnation in ECSC production of pig-iron, ore imports increased at the expense of Community ore. But later developments have shown that although pig-iron output is rising, the quantity of Community ore used is decreasing in absolute terms. This factor is now affecting even the low grade iron produced in Lorraine.

The table below shows the development of the use of imported ore as a percentage of total consumption in the different countries of the Community:

Year	West Germany	Belgium	France	Italy	Luxembourg	Netherlands	Community
1954	51	40	2	41	4	87	31
1958	55	41	4	64	1	98	34
1960	64	43	6	71	1	100	42
1961	64	45	6	78	1	100	43
1962	67	47	7	81	2	100	45
1963	72	53	11.8	86	2	100	49
1964	78.7	61	14.9	83.2	7	100	55
1965	80.5	68	16.6	88.6	5	100	58

The surplus supply of high-grade iron ore from non-member countries is the main reason for this trend. Such ores are extremely well-priced, due to competition in the world markets and the drop in shipping costs. A very marked trend during the last few years has been for Community steel plants, not close to domestic ore fields, but well placed geographically for the import of ores with low shipping costs, to switch to these new sources of supply. Improved ore enrichment processes have helped steel plants relying partially or totally on low-grade domestic ore, but these trends have not profited Community iron mines.

Imports of iron ore from non-member countries have more than quadrupled since the creation of the Coal and Steel Community. The leading member of the Community importing ore is West Germany, followed by the Belgium-Luxembourg Economic Union and Italy. These facts are shown in the following table.

Gross tonnage of imports from non-member countries  
(thousands of tons)

Year	West Germany	Belgium· Luxembourg	France	Italy	Nether- lands	Commu- nity
1954	8,400	2,333	299	675	954	12,590
1958	15,716	3,183	866	2,290	1,704	23,758
1960	23,802	4,083	1,374	2,620	2,312	34,192
1964	28,550	7,675	3,388	5,038	3,044	47,695
1965	29,538	8,971	3,755	7,886	3,568	53,717

As we have already seen, this trend is due to the noticeable reduction in the delivery price of high-grade ore, which has been in progress since 1957. Thus the price of Swedish ore (Kiruna D) f.o.b. Narvik dropped from \$ 11.12 per ton in 1957 to \$ 10.13 per ton in 1961 and then to \$ 8.62 per ton in 1965. The latest contracts signed with Community purchasers involve even lower prices. At the same time the shipping costs of Swedish ore (including transshipment expenses at Antwerp) have dropped from \$ 4.04 per ton in 1957 to \$ 1.88 per ton in 1965.

A similar drop in ore prices has occurred in other non-member countries. The next table compares the changing prices of low-grade Lorraine ore and ore from three countries outside the Community.

Year	(a) Low grade (b) Total imports		Imports		
	Lorraine ore	from non-member countries	Swedish	Brazilian	Venezuelan
1957	118	133	115	169	115
1963	100	85	85	80	89
1964	88	83	82	80	77
1965	87	82	83	75	73

(a) from ex mine barometer prices

(b) C.i.f. prices at Community ports; dollars per unit of iron ore with 1960=100 as base

To interpret the figures quoted above correctly, it must be borne in mind that most Community ore is used by plants owning the mines and the latter therefore sell it to their parent company at a price very close to the extraction cost. Almost all French steel-plants fall within this category, as does much of the ore sent to Belgium and the Saar. Remaining deliveries to these two regions are covered by long-term contracts with prices somewhere between the cost price and the barometer price. This means that the figures listed in the first column refer only to supplies - and these are not very large - sold on a commercial basis according to the High Authority's barometer price.

The iron content of low-grade Lorraine ore is below that of imported ore delivered to the Community's ports. But to understand the competitive position of the two different types of ore, it must be borne in mind that the cost of smelting Community ore is considerably higher than for high-grade imported ore (less productive use of blast-furnaces, lower output per thousand tons of coke in them) and the experts have worked out that the iron contained in Community ore should be approximately 20% cheaper than the iron in the rich ores used in coastal steel plants, if it is to be competitive.

Apart from its low iron content, transport costs of Community ore, based on the break-even point, are all things being equal, greater than for high-content ore.

The next table gives the comparative costs for carrying by regular 1,000 ton trains both Community and imported ores on a number of given routes.

Route	Distance	Price - \$ per ton	\$ per ton for each Km	
Ruhr	I. Emden -Duisburg	256 km	1.22	0.004765
	Thionville-Duisburg	312 km	2.30	0.007371
Belgium	II. Antwerp-Charleroi	105 km	1.38	0.013142
	Thionville-Charleroi	235 km	2.70	0.011489
Saar	III. Emden-Völklingen	574 km	2.57	0.004477
	Conflans Jany-Völk.	104 km	1.97	0.01894

When all the relevant factors are considered, (the price of ore, its iron content and transport cost per ton) low-grade Lorraine ore, to be competitive(at barometer price) with imported ore could travel no more than 100 to 150 km from Lorraine in 1963. Today its effective competitive limit is in the middle of the Saar. In 1957 it was only the coastal steel-plants without domestic iron-ore supplies which were using or were starting to use imported ores.

Efforts to improve the competitive position of Community ore

On both a Community and a national basis important measures have been taken to improve the competitive position of Community iron-ore. Output per shift has risen considerably and technical research has been carried out and is continuing with

the aim of improving mining techniques, and making the extraction of low-grade ore worthwhile by the use of enrichment techniques. The High Authority has made funds worth \$ 2, 210 million available to Community ore-producers for this type of research.

In addition, the High Authority has helped financially (by granting credits at favourable interest rates) in rationalisation and modernisation schemes undertaken by the mining concerns.

Since 1953, it has made investment loans amounting to \$ 30.3 million, shared as follows by the different member countries: West Germany 10.60, France 13.00, Italy 5.70 and Luxembourg 1 (all figures are in \$ million).

However, the main method of improving the situation has been to adapt production to demand. After a standstill during which the mines had to stockpile ore at considerable expense, the companies started to work shorter hours and then in many areas had to close mines which had become unprofitable. This has caused social problems.

The next table gives in millions of tons the development of commercial iron ore production in the countries of the Community (gross production in thousands of tons).

Average Fe content in 1965 (1)	West Germany	Belgium	France	Italy	Luxem- bourg	ECSC
	32.1%	33.4%	30.4%	45.7%	24.6%	30.2%
1954	9,927	81	43,825	1,029	5,892	60,819
1960	14,184	160	66,911	1,222	6,978	89,468
1964	8,697	65	60,937	897	6,680	77,273
1965	7,953	91	59,525	779	6,315	74,681

(1) Calculated on the production of commercial iron ore

As a result of this drop in production (and bearing in mind the growth output per shift in the iron-mines) the number of workers in the Community's ore extraction concerns dropped from a maximum of 59,179 in 1957 to 29,558 in February 1966.

Most of those affected by mine-closures or reductions in work since 1960 have been able to benefit from the retraining aids granted by the High Authority under Para 2 of Article 56 of the Paris Treaty made at the request of governments. Thus out of the 11,850 persons made redundant in West German iron ore concerns up to the end of 1965, 4,000 have been helped under Para 2 of Article 56.

Up to now the High Authority has made available for such persons a total of \$ 3.574 million. This figure is made up as follows: West Germany 1.2339, France 1.4842, Italy 0.8512, Belgium 0.0050 (\$ million).

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- D ADVERTISING Belgium: The New York agency GREY ADVERTISING forms international centre in Brussels GREY INTERNATIONAL PARTNERS. Europe and USA: The American agency SULLIVAN STAUFFER COLWELL and LINTAS INTERNATIONAL (UNILEVER affiliate) make reciprocal arrangements.
- D AIRCRAFT Germany and USA: REPUBLIC AVIATION CORP, Long Island, and ENTWICKLUNGS SUD, Munich (subsidiary of MESSERSCHMITT and others) sign agreement to develop VTO fighter bomber.
- D AUTOMOBILES France: KENNINGS SA, Lyons (BMC importer) opens Paris branch.
- E BUILDING & CIVIL ENGINEERING Belgium: Four Belgian civil engineering firms form COBEFA, Hasselt (contractors in steel, concrete, etc.). BANCO DI ROMA (BELGIQUE) and BANQUE EUROPEENNE DE LUXEMBOURG form STE IMMOBILIERE PALAZZO, Brussels, to buy, develop and manage property. The French property development group BATIMENT INFORMATION SERVICE winds up its Belgian agency. Luxembourg: BANQUE COMMERCIALE forms Luxembourg investment company for HISPATERRA HOLDING, Zurich. Switzerland: The Swiss DATWYLER HOLDING forms company to handle its interest in HAACKE ALGOSTADT, Celle, Germany (prefabricated materials etc.).
- F CHEMICALS France: RECKITT & COLMAN HOLDINGS, Hull, closes the manufacturing side of its French subsidiary USINES GUIMET. LUREX NV, Amsterdam (DOW group) forms Paris subsidiary. Germany: Under a recent phosphate agreement FARBWERKE HOECHST and BENCKISER will form two joint subsidiaries. Mexico: PRODUCTORA QUIMICA DE JALISCO, Mexico (BATAAFSE PETROLEUM subsidiary) commences production of epoxy resins.
- G ELECTRICAL ENGINEERING Belgium: GENERAL ELECTRIC, New York, buys 51% in the Belgian radio-diagnosis equipment firm GENERAL MEDICAL BALTEAU, Loncin. France: MASSER, Brussels, forms Bordeaux subsidiary (electric central-heating for flats). In the French transformer and alternator industry, CIE ELECTRO-MECANIQUE takes majority share in NOUVELLE COMPAGNIE GENERALE ELECTRIQUE NANCY (electric motors). LEBON, Paris, forms C.D.M.E. to take over its holdings in four wholesale electrical equipment firms.
- H ELECTRONICS Britain: EMI gets licence from CFTH-HOTCHKISS-BRANDT, Paris, whereby its electronics subsidiary will make "Flying Sport" equipment in Britain. Germany: The Danish navigation equipment firm DANSK AUTOMATISK ROR-KONTROL forms Hamburg sales subsidiary. The Cologne telecommunications firm DEUTSCH-ATLANTISCHE TELEGRAPHENGE stakes interest in COMPUTER GmbH, Düsseldorf (sales of second-hand computers). Italy: AD AURIEMA,



- Page New York, makes its Milan sales branch into subsidiary (sales of electronic and other equipment). Switzerland: The Italian radio TV manufacturer URANYA forms Swiss sales subsidiary.
- I ENGINEERING & METAL Belgium: HAMMEKRATH & SCHWENZER, Düsseldorf (pumps) winds up its Belgian sales subsidiary. Three international groups form equally-owned Brussels subsidiary BELGE DE REALISATION METALLURGIQUE to process or sell new or recovered metallurgical products. France: The German tooling firm LEMFORDER METALLWAREN forms French sales subsidiary. High Authority authorises merger of USINOR and LAMINOIRS DE STRASBOURG. ATELIERS HENRI LARDET gets licence from SARONNO, Milan, for manufacture of the latter's boilers and air-conditioning equipment. Germany: The American DENTISTS' SUPPLY CO increases its interest in the German surgical manufacturer WIENAND SOEHNE. The merger between the Berlin engineering firm DEUTSCHE INDUSTRIEWERKE and the Kiel ship-yard KIELER HOWALDSWERKE is postponed.
- J FINANCE Belgium: The US merchant bank MANUFACTURERS HANOVER TRUST established Brussels office. France: LLOYDS BANK (EUROPE) extends its French branch network. Luxembourg: US TRUST CO OF NEW YORK forms two new investment companies in Luxembourg. SELECTED RISKS INVESTMENT SA, Luxembourg (placement and investment) absorbs similar Luxembourg concern, COMMET.
- K FOOD & DRINK Belgium: CIE INDUSTRIELLE SUD-AMERICAINE, Antwerp (finance administration) is to be wound up. France: The French yoghurt and cheese firm CHAMBOURCY takes minority share in the newly-formed CHAMBOURCY AQUITAINE, Bordeaux. ERNESTO PILETTI, Milan, forms Paris subsidiary (licensee of STANDARD BRANDS, New York: foods, teas, etc.) Germany: The Swedish bakery and biscuit firm PAGENS forms Düsseldorf subsidiary. Puerto Rico: The Amsterdam brewing group AMSTEL sells its interest in the Puerto Rico brewery CERVECERIA DE PUERTO RICO.
- L GLASS Italy: FINANZIARIA ERNESTO BREDI sells its 33.3% in SOC. ITALIANA VETRO to EFIM, Rome.
- M INSURANCE France: Under agreements with British and German companies, LA PATERNELLE forms investment company, LES ASSUREURS DU GROUPE DE PARIS.
- M' PAPER & PACKAGING Italy: The Italian paper group CARTIERE BURGO will absorb two investment and administration subsidiaries. Netherlands: G.C.T. VAN DORP'S, The Hague, takes 50% and option for the remainder of the Amsterdam paper concern PAPIER & BOEK NV.
- M PHARMA-CEUTICALS Germany: HORMO PHARMA, Berlin (hormone-based products) outlines big expansion programme. BOGENA, Rotterdam (pharmaceuticals) forms German sales subsidiary.

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- N PLASTICS France: CANFIELD, New York, (powdered plastics) will build French factory.
- O PRINTING & PUBLISHING Belgium: MONDOPRINT, Amsterdam (printed paper and packaging) forms Brussels subsidiary. France: BAGLINI SA is formed to take over the promotions business of BAGLINI (FRANCE) - linked with the Italian printing ink firm of that name. The American music publishers IPANEMA takes 50% in new Paris subsidiary (in association with CHAPPELL, London). Germany: The German publishing group AXEL SPRINGER negotiates purchase of the weekly "Das Grüne Blatt".
- O TEXTILES France: TESITURA ITALIANA POLLAMIDI, Milan (synthetic textiles) closes its French sales branch PIPEA FRANCE. Germany: The German textile wholesaler WM KLOPPER links up with similar firm HEINRICH MITTAG to form joint Hanover subsidiary.
- P TRADE Britain: CHEMIE-COMMERZ, Frankfurt, (trade between Europe and Bulgaria) is setting up a London branch. Gabon: The French international trading companies S.C.O.A. and CIE OPTORG form joint subsidiaries at Libreville, Gabon. Luxembourg: Saudi Arabian interests back EURABIA TRADING CORP, Luxembourg.
- Q TRANSPORT Belgium: The Dutch transport company WILLEM VAN TWIST and the Belgian pool their international road transport interests and form joint subsidiary in Ghent. The Dutch marshalling and transport concern BINNEN- & BUITENLANDSE TRANSPORT forms Antwerp subsidiary.
- Q VARIOUS & LATE FLASHES Austria: SIX GmbH, Innsbruck, is formed to sell shoes. Europe: HONEYWELL INC, Minneapolis may produce computers in the EEC. France: INTERNATIONALE POUR L'INFORMATION is formed to build French computer industry under the "Plan Calcul". ALCOA, Pittsburgh, will build processing factory in France. P.A. MANAGEMENT CONSULTANTS (HOLDINGS), London, plans to set up Paris firm (management consultants, personnel selection, etc.). The New York advertising group BENTON & BOWLES takes 25% in Paris agency. Germany: FIMAI BETRIEBS METHODEN, Bergkirchen, is formed to promote French company management methods. Italy: In the timber industry NOVINCISA is taken over by SAFFA-INDUSTRIE LEGNO, Milan (SAFFA group). MEDITERRANEA METALLI MINERALI is formed in Milan to process and sell metals, minerals, etc. Luxembourg: MONTANA AG, Vienna, (solid and liquid fuels) forms Luxembourg investment company.

ADVERTISING
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\*\* Negotiations are taking place with a view to establishing close reciprocal links between the American advertising agency SULLIVAN STAUFFER COLWELL & BATLES INC, New York and a European group affiliated to UNILEVER, London and Rotterdam, and known as LINTAS INTERNATIONAL. The latter embraces 27 agencies throughout the world: LINTAS LTD, London (a subsidiary of UNILEVER LTD), THIBAUD-LINTAS, Paris (formerly G. THIBAUD & CIE), LINTAS GmbH WERBEAGENTUR GWA, Hamburg, LINTAS ITALIA, Rome and Milan as well as in the Netherlands and Australia.

\*\* The establishment at the end of 1965 in Brussels of an international coordinating centre for the New York advertising and marketing agency GREY ADVERTISING INC (see No 373) has resulted in the formation of GREY INTERNATIONAL PARTNERS SA in which the American company has a direct interest of 26.4%.

The remainder of the capital (Bf 1.18 million) is shared by the seven advertising agencies linked with Grey Advertising: DORLAND & GREY SA, Paris (10.5%), CHARLES HOBSON & GREY LTD, London (15.8%), MILANO & GREY SpA, Milan (5.2%), WERBE-GRAMM GES. FUER WIRTSCHAFTWERBUNG KG, Düsseldorf (15.2%), DORLAND & GREY SA, Brussels (5.2%), GREY ADVERTISING LTD, Montreal (15.8%) and KITTAY-GREY ADVERTISING C.A., Caracas (5.2%).

AIRCRAFT
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\*\* A basic agreement covering the development of a vertical take-off fighter-bomber has been signed by REPUBLIC AVIATION CORP, Farmington, Long Island (a Division of FAIRCHILD HILLER CORP, Hagerstown, Maryland since September 1965) and ENTWICKLUNGSRING SUD GmbH, Munich (formerly B.M.S. FLUGTECHNIK GmbH - see No 308), a 50/25/25 subsidiary of MESSERCHMITT AG, Augsburg. BOELKOW GmbH, Ottobrunn, Munich and SIEBELWERKE ATG GmbH, Donauwörth (see No 370).

The American concern is engaged in many aero-spatial projects in the USA (mainly for the NASA) and has an annual turnover exceeding \$200 million. It is linked by a sales agreement in the USA with the Dutch aircraft manufacturer NV KONINKLIJKE NEDERLANDS VLIEGTUIGEN-FABRIEK FOKKER, Amsterdam (see No 360), but sold its 33.3% interest in the latter to NORTHROP CORP., Beverley Hills, California in 1965 (see No 332).

AUTOMOBILES
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\*\* KENNINGS SA, Lyons (a subsidiary of KENNINGS LTD, Clay Cross, Derby - see No 382) is going to open its own Paris branch. It is the exclusive agent and importer in 23 departments of South-Eastern France of Austin, Morris, M.G. and other vehicles made by BMC - BRITISH MOTOR CORP. LTD, Birmingham (see No 353).

Kennings SA (president M. A. P. Schneidau - capital Ff 1 million) has established a network of some sixty concessionaires in the three years since it was founded and has two distribution centres, one in Lyons and the other at Vitrolles-Marignage, Bouches-du-Rhone. It also runs a car-hire service with offices in Paris, Lyons, Vitrolles, Nice and St-Priest,

and supplies cars from the "FLYDRIVE" service belonging to BEA - BRITISH EUROPEAN AIRWAYS which operates from Paris, Marseilles and Nice.

BUILDING & CIVIL ENGINEERING
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\*\* Four north-east Belgian building and civil engineering concerns (from the Meuse-Limbourg area) have taken equal interests in forming a joint subsidiary at Hasselt called COBEFA NV (capital Bf 10 million) for contracts for work in steel, concrete, brick and various types of panelling (including plastic panels). The four companies concerned are TEG-ERO Pvba, Halen; VAN BROEKHOVEN'S ALGEMENE ONDERNEMINGEN NV, Balen-Nest; BOVIN NV, Kertenaken, and OMNIBETON Pvba, Hasselt: minority interests have also been taken by GEBR. BOUTS-GEBO Pvba, Bree; BETONWERKEN IDIAAL VLOER NV, Overpelt, and LIMBURGS BETON KANTOOR-LIBEKA SC, Hasselt.

\*\* BANCO DI ROMA (BELGIQUE) SA is the majority associate of BANQUE EUROPEENNE DE LUXEMBOURG SA, Luxembourg (see No 376) in the newly formed STE IMM-OBILIERE PALAZZOPSA, Brussels (initial capital Bf 1 million) which will acquire, develop and manage property. Banco di Roma (Belgique) has offices in Brussels and Liege (see No 364) and is the subsidiary of Banco di Roma Spa, itself a 96% subsidiary of I. R. I. - ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE, Rome (see No 385) and the Banque Europeenne forms part of the BANQUE LAMBERT Scs group (see No 386). The latter's assistant manager M. Pierre Cambier is president of the new company, whilst M. Alberto Giacalone (director of the Banco di Roma-Belgique) is managing director.

\*\* The French property development group BATIMENT INFORMATION SERVICE - B.I.S. - LES CHANTIERS DE FRANCE Sarl, Gagny, Seine - et-Oise (headed by Mme M. Th. Rousseau) has decided to wind up its Belgian agency opened at the end of 1965 in Uccle - Brussels. M. R. Schroyens has been put in charge of this move.

\*\* Under the aegis of HISPATERRA HOLDING AG, Zurich, BANQUE COMMERCIALE SA has formed an investment company in Luxembourg with \$300,000 capital called HISPATERRA LUXEMBOURG SA. Its president is Mr Alexander Hakohen of London, and MM Peter Luggen of Zurich, R. Barta of Frankfurt and R. Carmes of Luxembourg are directors.

Hispaterra Holding (capital Sf 10 million; president M. E. Duft) is linked with COSMOS FINANZGESELLSCHAFT AG, Zurich (see No 244) and was formed in 1962 to finance investments in land and tourist developments in Spain. Its chief ventures there so far are PARKHOTEL GUELL SA, Barcelona, the plans for which were drawn up by the Zug architects HAFNER & WIEDERKEHR, and IMOBILIARIA PORTO CRISTO SA, Palma de Mallorca.

Another holding company was formed recently in Luxembourg, almost all the \$600,000 capital of which was put up by Banque Commercial. This is called TERRALUX SA, and is run by three Banque Commerciale directors: Alexandre Hakohen, Robert Carmes and Charles Servais.

\*\* DATWYLER HOLDING AG, Altdorf, Uri, has formed a company called HAACKE ALGOSTADT AG (capital Sf 90,000 - M. K. Maurer-Hefti, president, and M. W. Haacke, vice president) to handle the controlling interest which it recently acquired (see No 382) in the prefabricated and insulation materials concern, HAACKE ALGOSTADT AG & CO KG, Alten-celle über Celle.

CHEMICALS
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\*\* RECKITT & COLMAN HOLDINGS LTD, Dansom Lane, Hull (diversified interests - mainly food products - see No 282) has decided to close down the manufacturing side of one its French subsidiaries USINES J. E. GUIMET SA, Fleurieu-sur-Saone, Rhone. Headed by MM. Jacques Guinet and Georges Guinaud it employs 70 persons in the manufacture of chemical colourants (mainly ultramarine), and has sales subsidiaries in Belgium USINES GUINET SA, Jemeppe-sur-Sambre and in the Netherlands.

The British group has another French subsidiary in the same sector, OUTREMER DESTREE SA, Choisy-le-Roi (headed by Mr S. G. Smith - see No 244). Its other French interests include S. A. E. BROWN (FRANCE) Choisy-le-Roi, GOYA SA and a minority interest in GENERALE ALIMENTAIRE SA, Paris (see No 279 and this number "Food and Drink").

\*\* LUREX NV (capital Fl 8.5 million) has formed an almost wholly-owned Paris subsidiary LUREX-FRANCE Sarl (capital Ff 100,000) in which its sister company LUREX CO LTD, London has a token share. The manager of the new concern is Mr. Robert W. Forsythe. Lurex Nv was formed in July 1966 in Amsterdam by DOW CHEMICAL CO, Midland, Michigan (see No 383) to take over the "Lurex" activities (plasticised and magnesium metallised cloth) of DOBECKMUN EUROPA NV (see No 278).

The American group already has indirect French interests following the formation by its subsidiary (owned jointly with CORNING GLASS WORKS CO, Corning, New York) DOW CORNING CORP, Midland of DOW CORNING Sarl (see No 383). It also has direct interests in DOW CHEMICAL FRANCE SA, Paris (formerly DOW CHEMICAL INTERNATIONAL FRANCE), STE DES PRODUITS CHIMIQUES DOW SA, St-Etienne, Loire and PLASTI-CHIMIE SA (factory at Ribecourt, Oise) in a 49/51 association with PRODUITS CHIMIQUES PECHINEY SAINT-GOBAIN SA, Neuilly, Hauts-de-Seine (see No 385).

\*\* The agreement on phosphate products signed in September 1966 (see No 375) between FARBWERKE HOESCHST AG and its 100% and 93% subsidiaries KNAPSACK AG, Knapsack (see Pharmaceuticals) and CHEMISCHE WERKE ALBERT, Wiesbaden-Biebrich, and JOH. A. BENCKISER GmbH, CHEMISCHE FABRIK, Ludwigshafen will result in the formation of two joint subsidiaries at the beginning of 1967. The first, BENCKISER-KNAPSACK-CHEMIE will be a manufacturing company which will activate an investment programme amounting to DM 45 million in its first year; the second BENCKISER-KNAPSACK GmbH (proposed capital DM 40 million) will distribute the former's production.

Benckiser is thus breaking away from its own "Phosphate Products" Department and will now be able to concentrate entirely on developing its other chemical interests. In this field it recently joined up with STE DES GRANDES HUILLERIES METROPOLITAINES SA to form BENCKISER-GHM-TARTRACHIMIE Sarl, Marseilles (see No 385).

\*\* PRODUCTORA QUIMICA DE JALISCO SA. Atotoniles el Alto, Mexico has begun to produce epoxy resins. It was founded a short time ago by BATAAFSE PETROLEUM MIJ NV, The Hague (see No 386), one of the holding companies belonging to the ROYAL DUTCH-SHELL group and CIBA AG, Basle (see No 372); SDAD MEXICANA DE CREDITO INDUSTRIAL SA also had a share in its formation.

The Dutch group already had a Mexican sales company DISTRIBUIDORA SHELL DE MEXICO. The Swiss group has a processing and distribution company for its cosmetic and pharmaceutical products, colour-mixing and colour-grinding equipment, CIBA DE MEXICO SA (capital Pesos 12 million).

ELECTRICAL ENGINEERING
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\*\* GENERAL ELECTRIC CO, New York (see No 384) has bought up the 51% interest held by USINES BALTEAU SA, Liege (capital Bf 24 million - variable-ratio transformers, industrial radiography and electrical testing equipment) in the Belgian GENERAL MEDICAL BALTEAU SA, Loncin, which specialises in radio-diagnosis equipment.

The latter was formed in 1964 by Usines Balteau and the group STE GENERALE DE BELGIQUE: it was formerly based in Liege. Soon after its inception, the company took over METRADA SA, Brussels, another Generale de Belgique subsidiary, and increased its capital to Bf 75 million. As a result of this move, Generale de Belgique will now be the only firm associated with General Electric, especially through UNION FINANCIERE & INDUSTRIELLE LIEGEOISE SA, Liege (see No 328), which will be given a great deal of say in the running of GENERAL AMERICAN BALTEAU.

\*\* MASSER SA, Brussels, has increased its interests in France by forming MASSER SUD-OUEST Sarl in Bordeaux (capital Ff 50, 000), in association with local interests represented by M. Fernand Lafourcade. Masser is best known for its electric central heating for flats (mainly based on the Danish "Elwaco" system).

The parent company, which is headed by M. Robert Maskens, holds shares in the Anderlecht concern, LA DYNAMIQUE APPLIQUEE SA, and has already formed four subsidiaries in France: MASSER-PARIS Sarl and MASSER-NORD Sarl at Levallois-Perret, Hauts-de-Seine (see No 276), MASSER-RHONE-ALPES Sarl, Lyons (see No 304) and MASSER-EST Sarl, Nancy (see No 345).

\*\* Under a rationalisation and sales reorganisation plan, the Paris group LEBON & CIE Sca, Paris (see No 381) has decided to form CENTRALE DE DISTRIBUTION DE MATERIEL ELECTRIQUE & D'APPAREILLAGE - "CDME" SA (capital Ff 12.2 million) which will take over its shareholdings in four wholesale electrical equipment firms: FACEN-FABRIQUE D'APPAREILLAGE & DE CABLES ELECTRIQUES DU NORD SA, Lille (capital Ff 3.12 million); SOTEL SA, Paris; SOVAL SA, Paris; and REVIMEX-STE DE REPRESENTATIONS GENERALES DE VENTE EN GROS, D'IMPORTATIONS & D'EXPORTATIONS Sarl, Paris (capital Ff 2 million). These four firms have a total of 35 agencies in France.

\*\* A reorganisation amongst French manufacturers of transformers, alternators and high and low tension electrical motors will result in C. E. M. - CIE ELECTRO-MECANIQUE SA, Paris (see No 326) taking a majority interest in the Ff 6 million capital of NOUVELLE COMPAGNIE GENERALE ELECTRIQUE NANCY SA, Nancy (synchronised and a synchronised motors) until now controlled by SA DES ATELIERS DE SECHERON, Geneva in association with BANQUE DE PARIS & DES PAYS-BAS SA (see No 386).

The Swiss company (heavy electrical engineering - capital Sf 22 million) will keep its interest in the Paris sales company ~~STE FRANCAISE DES ATELIERS DE SECHERON~~ (capital Ff 500,000). Its foreign manufacturing subsidiaries include ~~OCREN-OFFICINA COSTRUZIONI RIPARAZIONI ELETTROMECCANICHE NAPOLETANA SpA~~, Naples, ~~FABRICA ESPANOLA DE ELECTRODOS SECHERON SA~~, Bilbao and ~~SECHERON PORTUGUESA CONSTRUCOES ELECTRICAS & METALO-MECANICAS LTDA~~, Porto. For its part C. E. M. employs more than 9,000 people (factories in Paris, Le Bourget, Seine-St-Denis, Boulogne-Billancourt, Hauts-de-Seine, Le Havre, Decines, Isere, Lyons Villeurbanne and Dijon). It is affiliated to the BROWN BOVERI & CIE AG group of Baden (see No 366) and STE D'INVESTISSEMENT DU NORD SA (5.6% - part of the MM. DE ROTHSCHILD FRERES SA group - see No 381) and C. G. E. - CIE GENERALE D'ELECTRICITE SA, Paris (see No 381).

## ELECTRONICS

\*\* AD. AURIEMA INC, New York (see No 370) has made its Milan sales branch (opened in 1965) into a subsidiary AURIEMA ITALIA Srl (capital Lire 900,000). Headed by Sig. B. Ferri the new concern will deal in all types of electronic, thermal control and scientific equipment.

The American company represents various American electronic, measuring, automation and control equipment firms in Europe and has numerous subsidiaries or affiliates (in Heilbronn, Brussels, Paris, London and Geneva).

\*\* The Italian radio and TV set manufacturer URANYA FEGME SpA, Tribiano, Milan has formed a Swiss sales subsidiary URANYA-TV Sagl, Minusio (capital Sf 20,000; managers Messrs Walter Bussachetti and Marco Gaggio, Milan).

The parent company (capital Lire 100 million) is the result of a merger between URANYA Sas DI FAVIA & CO, Milan which has had its own Swiss branch in Locarno since June 1965, and FEGME-FABBRICA EUROPEA GRANDI MARCHE ELETTRONICHE SpA. It is also a majority shareholder (in association with the local industrialist Mr C. Karasevdas) in the Greek firm URANYA HELLAS SA which runs a TV set assembly works near Athens, and a radio and record player unit at Khalkis.

\*\* The Cologne telecommunications management and maintenance company DEUTSCH-ATLANTISCHE TELEGRAPHENGESELLSCHAFT, (controlled by the Cologne insurance group GERLING KONZERN - see No 368) has taken an interest in COMPUTER GmbH BERATUNGS - & VERTRIEBS - GESELLSCHAFT FUER GEBRAUCHTE DATENVERARBEITUNGSANLAGEN, Lintorf b. Düsseldorf as the latter has raised its capital to Dm 20,000. Formed in April 1966 by Herr Rudolf Gather (40%), Herr Peter Lohse (30%) and Ronald Waldschmidt (30%) it specialises in selling second-hand computers (100 already sold, and about half of these have been to Eastern Europe).

\*\* The proposed merger (see No 372) between the Berlin engineering concern DEUTSCHE INDUSTRIEWERKE AG and the Kiel shipyard KIELER HOWALDSWERKE AG (both wholly-owned subsidiaries of the State concern SALZGITTER AG, Salzgitter - see No 378) has been postponed indefinitely. But this decision will not affect the closer links agreed between the Kiel company and two Hamburg shipyards, DEUTSCHE WERFT AG and HOWALDT-WERKE AG (see No 358).

\*\* The German manufacturer of hydraulic pumps, centrifugal vacuum pumps etc. ("Dia" trademark) HAMMEKRATH & SCHWENZER, PUMPENFABRIK GmbH, Düsseldorf, has finally wound up its Belgian sales subsidiary ATELIERS DES POMPES DIA SA, Grivegnée, Liège, (director Herr J. Braun) as decided in 1965.

\*\* Three Belgian, French and Anglo-Swiss groups have linked up to form an equally-owned subsidiary at St-Josse-ten-Node, Brussels, STE BELGE DE REALISATION METALLURGIQUE-BEREMET SA (capital Bf 15 million). It will be involved in producing, processing, transporting and selling new or recovered metallurgical products, and especially the breakdown, removal, dynamiting and crushing of all types of metallic structures or equipment.

The founders of the new company are:

- 1) ETS VAN HEYGEN FRERES SA, Ghent (see No 268) and STE FINANCIERE DES FLANDRES SA, Ghent;
- 2) CIE FRANCAISE DES FERRAILLES-CFF SA, Paris (see No 251) and its subsidiary CIE INDUSTRIELLE DE REALISATIONS METALLURGIQUES SA, Paris (which absorbed CIE NORMANDE DES FERS & ACIERS, Petit-Quevilly, Seine Maritime, in 1965);
- 3) Two Luxembourg holding companies directed by Messrs. H. Schoemann, Redcar, Yorks, and E. Wolf, Coppet, Vaud: SIPREF SA (capital recently increased to Lux F 3 million) and SOPRES S.A.H., recently formed with a capital of Lux F 2 million.

\*\* LEMFOERDER METALLWAREN AG, Lemförde, (tools and accessories for the engineering and automobile industries) is about to step up its French sales drive (at present in the hands of C.O.F.F.I., Lyons) by forming LEMFORDER METALLWAREN FRANCE SA in Paris with Ff 20,000 capital.

The German company (president Herr Jürgen Ulderup - capital DM 3 million) has long been the German licensee of the American metal group AMERICAN METAL PRODUCTS CO, Detroit, (see No 267).

FINANCE
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\*\* Anticipating its imminent financial operations in Europe (see No 386), US TRUST CO OF NEW YORK has formed two new investment and administration companies in Luxembourg with a capital of \$100,000 each. The first, US TRUST INTERNATIONAL ADVISORY CO SA is directly controlled by US TRUST CO INTERNATIONAL CORP, New York; the second, US TRUST INVESTMENT FUND HOLDING CO SA is under US TRUST INVESTMENT FUND SA, Luxembourg, which has just been formed with an authorised capital of \$10 million. The first slice of \$2.5 million will shortly be offered for public subscription by a group of European banks.



\*\* LLOYDS BANK (EUROPE) LTD, London, which handles the continental interests of LLOYDS BANK LTD (see No 384), plans to strengthen its French agency network in 1967 by adding to its Palm Beach, Cannes, branches and opening one in Calais.

Lloyds Bank Europe already has branches and subsidiaries in Paris, Cannes, Monaco, Brussels, Antwerp, Geneva and Zurich, and recently gained control of the Amsterdam ARNOLD GILLISSEN BANK NV (see No 362), whose Amsterdam, Damrak and Rotterdam agencies it will make branches of its own (with Messrs S.J. de Bruijn and J.C. Goossens as directors). BAX' BANK NV, The Hague, however, which is an Arnold Gillissen subsidiary, will pursue its business in its own name, under the direction of Messrs E.I. Greinadus and L.H.Bax.

\*\* It has just been decided that the Luxembourg placement and investment company SELECTED RISK INVESTMENTS SA will absorb a similar Luxembourg concern called COMMONWEALTH & EUROPEAN INVESTMENT TRUST - COMMET SA (see No 314). The move will mean an increase in Selected Risk's capital (raised in September 1963 to \$ 8 million) to \$ 15 million.

Commet was formed in 1961 as a closed end investment trust, and its main shareholders were COMMERZBANK AG, Düsseldorf; S.G. WARBURG & CO, London; BAYERISCHE VEREINSBANK AG, Munich; BERLINER HANDELSGESELLSCHAFT AG, Frankfurt; COFIN-INDUS SA, Brussels; CIE FINANCIERE DE SUEZ SA, Paris; I.F.I.-ISTITUTO FINANZIARIO INDUSTRIALE SpA, Turin; and ROTTERDAMSCHER BANK NV, Amsterdam (now AMROBANK). Selected Risk Investments was itself formed in June 1962 by a group of European banks also comprising Warburg's, Financiere de Suez (through PAN HOLDING INC), Cofinindus, I.F.I. and Rotterdamsche Bank.

\*\* The fourth largest American merchant bank, MANUFACTURERS HANOVER TRUST CO, New York (assets of \$7,600 million, and \$6,600 million deposits at the end of 1965 - see No 344) is extending its Common Market network by setting up an office to represent it in Brussels.

Manufacturers Hanover Trust already has two London branches and offices in Paris, Frankfurt, Rome and Madrid, plus a number of shareholdings, especially in the Greek BANQUE NATIONALE D'INVESTISSEMENT POUR LE DEVELOPPEMENT INDUSTRIEL, Athens (see No 329) and BANQUE DE CREDIT COMMERCIAL SA (FIDESBANK).

#### FOOD & DRINK

\*\* The Swedish industrial bakery and biscuit firm PAGENS FAMILJE-BAKERI A/B, Malmö has formed a sales subsidiary in Düsseldorf (capital DM 20,000), PAGENS FAMILIENBACKEREI VERTRIEBS to be run by the Swedish company's own president Mr Tor Pahlsson. Pagens was formed in 1939 and has two Norwegian subsidiaries A/S PAGEN and A/S KRINGLOR, both in Oslo.

\*\* The Belgian financial administrative company CIE INDUSTRIELLE SUD-AMERICAINE NV, Antwerp (belonging to the Brussels group "Lang" and the Lausanne group "Hassan" - capital Bf 48 million) is to be wound up in advance, and its shareholders will receive in exchange interests in its only subsidiary, S.I.F.A.R.-SOC INDUSTRIAL FINANCIERA ARGENTINA SA, Buenos Aires, the chief associate of which is the mass-production bakery, PANIFICACION ARGENTINA, Buenos Aires, the largest on the South American continent, processing more than 100 tons of flour a day.

\*\* The Amsterdam brewery group AMSTEL BROUWERIJ NV, (see No 332) has sold for Fl 1.7 million to JOS. SCHILTZ BREWING CO, Milwaukee, Wisconsin the remainder (11%) of its interest in the Puerto Rican brewery CIA CERVECERIA DE PUERTO RICO SA - PUERTO RICO BREWING CO INC, San Juan (see No 318). This was formed in 1963 by the Dutch group, which in 1965 sold over 50% of the capital to Schlitz.

Amstel Brouwerij has other interests in foreign breweries: ATHENIAN BREWERY SA, Athens (50%), SURINAAMSE BROUWERIJ NV, Paramaribo (43%), ANTILLIAANSE BROUWERIJ, Willemstad, Curacao (31%), JORDAN BREWERY LTD, Amman (16%) and BRASSERIE & MALTERIE ALMAZA SA, Beirut, Lebanon (10%).

\*\* CHAMBOURCY SA, Clamart, Hauts-de-Seine (formerly J.A. BENOIT SA, Marseilles - yoghurts and fresh cheeses) has taken a minority interest in the formation of CHAMBOURCY AQUITAINE SA (initial capital of Ff 500,000 immediately raised to Ff 2.5 million). The new company has acquired the manufacturing assets of LAITERIE DE LA BENAUGE SA, Bordeaux (capital Ff 1.178 million): plant at Bordeaux, Saint-Savin-de-Blaye, Gironde, Saint-Georges-des-Coteaux, Charente-Maritime and Marmande, Lot-et-Garonne.

Chambourcy (capital Ff 10 million) has just taken over SOLATAM-STE LAITIERE DES ALPES MARITIMES SA, Nice (see No 378).

\*\* ERNESTO PILETTI & CO SpA, Milan (see No 339) has formed an almost wholly-owned Paris sales subsidiary, PILETTI FRANCE Sarl (capital Ff 750,000). The Milan concern (president Sig E. Piletti - capital Lire 150 million) makes food products and markets "Ati" and "Tender Leaftea" teas, "Montania" camomile, "Butino Royal" and "Pizza Catari" creams. It has long been a licensee of STANDARD BRANDS INC, New York (see No 343) and in January 1966 became the 90% subsidiary of VAN NELLE-STANDARD BRANDS LEVENSMIDDELEN INDUSTRIE NV, Rotterdam, a joint 51-49 subsidiary of the American group and its 51% affiliate DE ERVEN DE WED. J. VAN NELLE NV, Rotterdam.

The American and Dutch groups have already cooperated in extending their European interests. They now control DE ERVEN DE WED, J. VAN NELLE GmbH, Goch and FELIX KNUSPERFISCH VERKAUFGGESELLSCHAFT DAUB & CIE, Dortmund and more recently acquired a 75% interest in INDUSTRIAS RIERA MARSA SA, Barcelona (see No 343).

GLASS
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\*\* FINANZIARIA ERNESTO BREDA SpA, Milan (see No 383) has sold to E.F.I.M. -ENTE PER IL FINANZIAMENTO DELLA INDUSTRIA MECCANICA SpA, Rome (which has a 50% interest in Breda) its one-third interest in SOC. ITALIANA VETRO-S.I.V. SpA, Vastro, Chieti (capital Lire 10,500 million). The sale price was Lire 3,500 million.

The latter has a window glass and glass-fibre factory at S. Salvo with an annual production of 125,000 tons, which was started in 1965 and began production in December 1966. The factory required some 45,000 million Lire of investments and the remaining two-thirds are held equally by E.N.I. (through SOFID-SOC. FINANZIAMENTI IDROCARBURI SpA, Rome) and the American group L.O.F. -LIBBEY OWENS GLASS FORD CO, Toledo, Ohio.

INSURANCE
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\*\* Under reciprocal sales and financial agreements (see No 386) with the British insurance group COMMERCIAL ASSURANCE CO LTD, London and the German MUENCHENER RUECKVERSICHERUNGSGESELLSCHAFT AG, Munich and ALLIANZ VERSICHERUNGS AG, Berlin and Munich, the French group LA PATERNELLE SA (reciprocal associate of BANQUE DE L'INDOCHINE SA) has formed an investment company in Paris called LES ASSUREURS DU GROUPE DE PARIS (PATERNELLE, PREVOYANCE, MINERVE, UNITE) AGP SA.

This company, founded by M. A. Thepant (president of the LA PREVOYANCE SA group and director of LA PATERNELLE SA), will have a capital of Ff 1 million and will be based on the premises of LA PATERNELLE SA (holding company).

PAPER & PACKAGING
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\*\* The Italian paper group CARTIERE BURGO SpA, Verzuolo and Turin (see No 381) is to absorb two of its investment and administration subsidiaries: 1) A.C.I.M. - ANONIMA GESTIONI MOBILIARI & IMMOBILIARI SpA, Milan (formerly EDITRICE CUNEESE SpA, Cuneo), which has Lire 300 million capital, and 2) SIDIN - SOC IDROELETTRICA INDUSTRIALE SpA, Turin (capital Lire 500 million), whose hydro-electric plant was taken over two years ago by the public company ENEL - ENTE NAZIONALE PER L'ENERGIA ELETTRICA SpA, Rome (see No 386).

\*\* An agreement has been signed in the Netherlands between NV G.C.T. VAN DORP & CO'S, The Hague and PAPIER & BOEK NV, Amsterdam under which the former will take a 50% interest in the Amsterdam concern and its subsidiary NV v/h LUTKIE & CRANENBURG, 's-Hertogenbosch with an option on the remainder.

Headed by M. Th. J.M. van Mierlo (now a member of the board of VAN DORP, whose managing director M.A.X. Waalberg will occupy the same position in both firms), Papier & Boek specialises in wholesale trading in paper and educational books, whilst its subsidiary deals in paper and scholastic materials. For its part, VAN DORP sells paper goods, educational equipment, books, drawing instruments, office equipment, wall-paper, educational games etc.

PHARMACEUTICALS
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\*\* FARBERWERKE HOECHST AG, Frankfurt (see No 385) has joined with the Swiss firm PLUESS-STAUFER AG, Oftringen, Aargau, in forming a company in Zurich to market pharmaceuticals, called HOECHST PHARMA AG (capital Sf 500,000).

The Swiss company (capital Sf 2 million) will remain Hoechst's Swiss agent for all but its pharmaceutical products. For its own part, it produces a wide range of colourants, chalks, mastics and plastics. It has numerous foreign interests, especially in France, with OMYA SA, Paris (capital increased recently from Ff 10.02 million to Ff 13.02 million), which in 1960 absorbed PLUESS-STAUFER FRANCE Sarl, Paris, and with LA REENANE SA, Strasbourg (capital Ff 650,000). Its other chief interests abroad are: OMYA GmbH, Cologne (see No 349); PLUESS-STAUFER (NORTH AMERICAN) INC in the USA, and CIA ELETROQUIMICA FLUMINENSE in Brazil.

The German group already has several Swiss subsidiaries: the distribution concern DYESTUFFS & CHEMICALS TRADING CO LTD, Vevey; the holding company FARBWERKE HOECHST INVESTMENT AG, Zurich (see No 379), and shareholdings in two Zurich international sales promotion firms - NITREX AG (formed in July 1962) and GLYCOLEX AG (formed last September - see No 378). Its most recent moves include the formation of the Austrian holding company HOECHST-AUSTRIA GmbH, Vienna (capital Sch 20 million), which it has placed in charge of all its Austrian interests. Hoechst Austria will thus handle the group's interests in: VEDAPHA-VERTRIEB VON TEERSTOFFEN, CHEMISCHE- & PHARMAZEUTISCHE PRODUKTEN GmbH, Vienna (see No 379); AUSTRIA FASERWERKE GmbH, Lenzing (formed in May 1966, with Sch 40 million capital, 50% put up by CHEMIFASER LENZING AG - see No 366); ALBERT CHEMIE GmbH, Vienna (formed in May 1965 with Sch 500,000 capital - see No 312), and KREMS-KNAPSACK PHOSPHORPRODUKTE GmbH, Vienna. The latter (capital Sch 200,000) was formed 50-50 by a wholly-owned subsidiary of the group, KNAPSACK AG, Knapsack, Cologne, and the Lower Austrian concern KREMS-CHEMIE GmbH, Krems (see No 324).

\*\* HORMO PHARMA KG, Berlin has had such success in its sales of hormone-based pharmaceutical products (mainly male pep pills under the brand names, "Okasa", "Okadon", "Eurovit", "Horphazym", "Paradenyl") that it has decided to draw up a manufacturing and sales expansion programme covering West Germany and other European countries.

The German company (1965 turnover DM 8 million) has a capital of DM 250,000 nearly all (86%) held by a sleeping partner, Charles Haimoff, an American businessman living in Switzerland, with the remainder held by the Berlin chemical and pharmaceutical concern HANS STARKE. Its sister companies include HORPHABEL SA, Brussels, formed in January 1964 (capital Ff 400,000) in association with SAFICO SA, Brussels (the latter also controls EMAL SA and INDAB-INDUSTRIAL DEVELOPMENT ABROAD SA, Brussels); HORMO PHARMA LTD, London which has an Indian subsidiary OKASA PRIVATE LTD, Bombay. The group also has an Italian licensee OFFICINA FARMACOTERADICA AMBROSIANA-OFA, another in Argentina LABORATORIES EXA, Buenos Aires and a Geneva holding company INTERHORPHAG SA (capital Sf 100,000).

\*\* BOGENA NV, Rotterdam (production and sales of pharmaceutical products - capital Fl 500,000) has formed a sales subsidiary in West Germany; BOGENA GmbH, Mülheim a.d. Ruhr, with DM 20,000 capital and Messrs Martinus Riderkerk and Pieter Ysselsteyn as managers.

## PLASTICS

\*\* H.O. CANFIELD CO INC, New York, which makes powdered plastics for coating metals, has bought a plot at Gundershoffen, Bas-Rhin in order to set up a French factory in addition to the ones it already runs in Italy and West Germany (Gartenberg, Obb). Since the end of 1962, H.O. Canfield has been represented in France by a sales subsidiary, H.O. CANFIELD CO (FRANCE) Sarl, Paris, run by Mr E. Dunston.

PRINTING & PUBLISHING
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\*\* The German printing and publishing group AXEL SPRINGER & SOHN KG, Hamburg and Berlin is negotiating through its subsidiary NEUES BLATT VERLAGS GmbH the acquisition of the weekly "Das Grüne Blatt" belonging to DEUTSCHE WOCHENZEITSCHRIFTEN VERLAG GmbH, Dortmund. The Springer group recently acquired the teenage magazine "Twen" (circulation 100,000) and the soccer magazine "Der Kicker" (circulation 150,000); the group's main papers are the dailies "Die Welt", "Bild Zeitung", "Hamburger Abendblatt" and "Berlinger Zeitung".

\*\* The music publishers IPANEMA MUSIC CO, Los Angeles, California has set up in France by taking a 50% share in forming EDITIONS IPANELA Sarl, Paris (capital Ff 10,000) in association with CHAPPEL SA, Paris, a member of the London music publishers CHAPPELL & CO LTD (see No 338).

\*\* MONDOPRINT NV, Amsterdam (headed by M.A.M. Ammerlaan, Helmond and H.C. van den Ende, Amsterdam) has formed a 40% Brussels subsidiary MUNDOPRINT NV (capital Bf 500,000) which will act as an adviser, supplier or intermediary in the purchase or sale of printed matter and packaging materials. The president of the new concern is M.A.J. Weebers, Amersfoort, whilst M. Ammerlaan is the manager.

\*\* BAGLINI SA, Brie-Comte-Robert, Seine & Marne (capital Ff 100,000; president M. Henri Dell Duchon-Doris) which was formed in September 1966, will commence operations at the beginning of 1967 by taking over the promotions business of BAGLINI (FRANCE) Sarl, Saint-Fargeau, Seine & Marne (capital Ff 20,000, controlled by French interests) which has just been wound up. The owners of the latter are taking shares in the new firm together with BAGLINI & CO SpA, Florence which makes printing inks and chemical products for the graphic industries. The same Franco-Italian interests also linked up in January 1965 (see No 292) to form the graphic arts materials sales company in Brussels, BAGLINI-BENELUX SA (capital Bf 100,000).

The Italian company is also involved in the Belgian surface treatment and processing firm EUROCHROME SA, Brussels and in the Italian BAGLINI & SUN SpA, Florence (see No 332) - in association with SUN CHEMICAL CORP, New York (which formed SUN GENERAL PRINTING INC SA in Spain in March, 1966) - and in the French MONDIALCHROME SA, Brie-Comte-Robert. The last of these is linked (mainly as a supplier) with the magazine publishing company LES EDITIONS MONDIALES SA, Paris (see No 380), a member of the DEL DUCA group - which has also just reorganised its Italian interests by incorporating LE EDIZIONI MONDIALI SpA, Milan and LIBRERIA INTERNAZIONALE CINO DEL DUCA SpA, Milan with INDUSTRIE GRAFICHE CINO DEL DUCA SpA, Milan.

TEXTILES
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\*\* TESSITURA ITALIANA POLLAMIDI & AFFINI SpA, Milan (synthetic textiles) has closed the sales branch that it opened two years ago in Montrond-les-Bains, Loire under the name of PIPEA FRANCE (Mme C. Bonnel was manageress).

\*\* The German textile wholesaler WM KLOEPPER KG, Hamburg - which has just taken over the oldest textile wholesalers in Hamburg L.G. DIBBERN KG (see No 374) - and an associate Herr Emil Vollstedt are linking up with another similar firm HEINRICH MITTAG GmbH, Hanover (branch at Kaiserlautern) which has DM 1,326,000 capital. They will form a joint subsidiary called TEXTIL UNION WM KLOEPPER & HEINRICH MITTAG GmbH & CO KG, Hanover to operate from January 1, next year.

TRADE
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\*\* Mmes H. Sidgi, Riyad and S. Faidhi, Jiddah are the board of the newly-formed EURABIA TRADING CORP SA, Luxembourg (capital Lux F 500,000) promoted by Saudi-Arabian interests. The new concern will sell, import and export all types of manufactured goods, will represent firms and act as commercial advisers.

\*\* As the business and geographical area covered by the two French international trading groups S.C.O.A. - STE COMMERCIALE DE L'OUEST AFRICAIN SA (see No 366) and CIE OPTORG SA (see No 348) is complimentary they have strengthened their long-established links by the formation of two joint subsidiaries at Libreville in Gabon. These are GABOMA SA (general trading) in which SCOA has 51% of the capital (F CFA 200 million) and SOGAM where Optorg is the 51% majority shareholder (capital F CFA 150 million) dealing in equipment sales. This crossed link-up within joint subsidiaries may be extended to other countries and may result in even closer ties between the two groups.

SCOA recently linked with C.F.A.O. - CIE FRANCAISE DE L'AFRIQUE OCCIDENTALE SA, Paris (UNILEVER NV is the most important shareholder with some 20% held directly or indirectly - see No 382) to form STE GABONNAISE DE CREDIT AUTOMOBILE SOGACA SA, Libreville (capital F CFA 25 million). Others involved in this move were STE AFRICAINE DE CREDIT AUTOMOBILE (SAFCA) SA, Paris (joint subsidiary of SCOA and CFAO), SHELL-GABON, Libreville, STE D'EQUIPMENT POUR L'AFRIQUE - S.E.A. HATTON & COOKSON LTD.

Optorg is currently taking over one of the oldest-established French concerns in West Africa ETS CHAVANEL SA, Bordeaux (capital Ff 6 million) and will increase its own capital to Ff 25.42 million as a result. Specialising in the harvesting and marketing of groundnuts (mainly from Senegal) the latter (which in 1962 took a 1.5% interest in the establishment of CIE EUROPEENNE DE BANQUE POUR LE CREDIT A LONG & MOYEN TERME SA) was controlled by the "Chavanel" group which was behind the formation in March 1960 of STE D'INVESTISSEMENT DU SUD-OUEST SA, Bordeaux (capital Ff 10 million) changed in March 1964 into a variable capital investment company called FRANCE-PLACEMENT. Optorg, whose African subsidiaries reported sales worth F CFA 12,630 million for the financial year 1965-1966, has recently taken an interest along with its subsidiary LA QUINCAILLERIE CENTRALE SA, Paris in the CATENA distribution chain, which embraces some 800 retail ironmongers in France and is linked with similar interests in Belgium, Austria and West Germany.

\*\* ~~CHEMIE-COMMERZ~~ GmbH (capital Dm 20, 000), which was formed in Frankfurt in September 1965 (see No 322) as a joint subsidiary of the Frankfurt merchant bank BANK-HAUS MAERKLIN & CO KG (headed by Edgar Kunath) and the Bulgarian state chemical trading company CHIMIMPORT, Sofia, to develop trade between Bulgaria and Western Europe, is negotiating the setting up of a London branch. The founding company will achieve a 1966 turnover in excess of Dm 20 million: it is now the group's business bridgehead in Western Europe, and has formed subsidiaries in Milan and Vienna.

Bankhaus Märklin's other main interest is shared with the London bank ROBERT FRASER & PARTNERS LTD in DEUTSCH-ENGLISCHE FINANZ - & TREUHAND AG, Frankfurt (capital Dm 200, 000). It also about to join with another Bulgarian export group (ELEKTROIMPEX, Sofia - electronics and electrical engineering) in forming an import/export and distribution company in Frankfurt. FRUCTINA AG, Stuttgart, will take a minority interest in this new form, which will be called ELECTRO-COMMERZ GmbH.

### TRANSPORT

\*\* Two transport companies, WILLEM VAN TWIST NV, Dordrecht, the Netherlands, and R. & E. DE LUYKER SA, Ghent, Belgium, have now finished pooling their international road transport interests. This association was begun early in 1963, and later backed by the formation of a joint subsidiary in Ghent called NV DE LUYKER-VAN TWIST (later wound up).

\*\* The Dutch marshalling and international transport concern BINNEN- & BUITENLANDSE TRANSPORT- & EXPEDITIE ONDERNEMING JANSEN & MEIJER NV, Zwijndrecht, has formed a subsidiary in Antwerp called JANSEN & MEIJER NV (capital Bf 100, 000) with an Antwerp haulier, M. L. Overdulse as a minority shareholder (35%).

### VARIOUS

\*\* Herr Helmut B. Frischen, who owns a West German footwear concern, METRO SCHUHE, Pirmasens, has been appointed manager of SIX GmbH, Innsbruck, (capital Sch 100, 000) recently formed in Austria to sell shoes. The new concern has a sister company in Switzerland called SIX AG, Paradiso, Ticino, formed in Basle in August 1962 (capital Sf 50, 000).

\*\* FIMAI BETRIEBS METHODEN GmbH (capital Dm 20, 000; manager M. C. Knoche, a consultant engineer from Strasbourg) has been formed at Bergkirchen to promote the company management methods applied in France by the organisation FIDUCIAIRE D'INGENIEURS DE METHODES ACTIVES D'INTEGRATION.

\*\* A merger has taken place in Milan within the wood and composition industry in favour of the SAFFA SpA FABBRICHE FIAMMIFERI & AFFINI group: NOVINCISA has been taken over by SAFFA-INDUSTRIE LEGNO SpA which has become SAFFINCISA SpA (capital increased from Lire 4, 500 million to Lire 7, 000 million) with president Sig L. Albanese and director general Sig F. Ottolenghi.

\*\* P.A. MANAGEMENT CONSULTANTS (HOLDINGS) LTD, London, (management consultancy, personnel selection, etc.) plans to set up a company in Paris called P.A. MANAGEMENT CONSULTANTS EUROPE SA to head its six continental subsidiaries. The new firm will have Ff 120,000 capital, and its formation will be supervised by Mr. A. Beaton, who will run it.

At present P.A. is represented in Paris by P.A. MANAGEMENT CONSULTANTS SA (formed in 1961 with Ff 10,000 capital) and in Milan, Frankfurt, Amsterdam, Brussels, Vienna, Zurich, Copenhagen, Oslo and Stockholm by subsidiaries with its own name, plus a branch in Madrid, all of which are at present under the direct control of P.A. MANAGEMENT CONSULTANTS EUROPE LTD, London.

\*\* Herr Karl Kahane of MONTANA AG FUER BERGBAU, INDUSTRIE & HANDEL, Vienna (see No 310) is the founder of the Luxembourg investment company MONTA-LUX SA, 88% of the authorised Bf 80 million capital of which has been supplied by the Liechtenstein holding company ACTURUS ANSTALT, Vaduz. Herr Kahane is president of Montana AG (solid and liquid fuels, chemical, pharmaceutical and mineral products) and of its subsidiary MONTANA KOHLENHANDELS GmbH, Vienna.

Montana is linked with the Viennese bank BANKHAUS GEBR. GUTMANN KG (Herr Kahane is assistant manager) and SHEL-AUSTRIA AG, Vienna, for the supply of fuel to the distribution network of MONTAN-UNION AG (one of the group's subsidiaries in Vienna). It has many other interests which in 1965 produced a turnover of Sch 46.6 million. These are GEBR. GUTTMANN GmbH, Vienna, (headed by Herr A. Löw), ERGONA HANDELS GmbH (a wholly-owned subsidiary in Vienna), ASPANGER KAOLIN-& STEINWERKE AG, Vienna, DONAU CHEMIE, Vienna (see No 359) GUESSINGER MINERALWASSER AG, Glüssing (formerly VITA MINERALWASSERQUELLEN AG in which BRAUEREI SCHWECHAT AG, Vienna is also a shareholder - see No 344), which in its turn controls GUESSINGER KURHAUS SULZ STUDEINGESELLSCHAFT mbH, TERRANOVA-INDUSTRIE GmbH (a licensee and affiliate of BAYERISCHE GES. FUER TERRANOVA-VERWERTUNG HOELLFRITSCH- & SOHN, Nuremberg), MONTANA LTD, London.

LATE FLASHES
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#### ADVERTISING

The New York group BENTON & BOWLES INC (see No 375) is strengthening its Common Market interests under a plan drawn up at the start of 1966 (see No 358) and it is taking a direct 25% interest in the Paris agency L.B. & A.-LIGER, BEAUMONT & ALJANVIC SA, which will now be called LIGER, BEAUMONT-BENTON & BOWLES SA. As part of the same plan, the New York group recently became linked with the Frankfurt agency HORST BAUMGARDT (see No 385).

The Paris agency (president M. J. P. Liger - managing director M. B. Beaumont, who each have a 25% interest) has long been linked with the American concern (see No 249) through its Benelux affiliate PUBLICONTROL-BENTON & BOWLES SA, Brussels, Antwerp and Amsterdam. The latter's managing director Andre Kick, Uccle-Brussels, holds a 25% interest in the new Liger, Beaumont-Benton & Bowles.



## ELECTRONICS

CIE INTERNATIONALE POUR L'INFORMATION I.N.F.I. Sarl (capital Ff 1 million) has been formed to realise the French "Plan Calcul" and thus promote a viable independent French computer industry. Situated at Clayes-sous-Bois, Yvelines, it is headed by M. Jacques Maillet. The new company will shortly be made into a Societe Anonyme. It is controlled by CITEC-CIE POUR L'INFORMATIQUE ET LES TECHNIQUES DE CONTROLE SA, Paris (56.40% - a 50-50 subsidiary of the CGE and CSF groups) in association with SCHNEIDER SA, Paris (33.33%) and the RIVAUD group (10.27%) through INTERTECHNIQUE SA, Plaisir, Yvelines, and MINES DE KALI SAINTE THERESE SA, Paris (see No 365).

\*\* HONEYWELL INC, Minneapolis, Minnesota, is considering the installation of a computer production line in the Common Market, and probably in Germany. In October 1966, it made a \$15 million issue on the European capital market through its Luxembourg holding company HONEYWELL INTERNATIONAL FINANCE CO SA (formed in December 1965 - see No 338).

The American group already has important manufacturing and commercial interests within the Six, including computer centres in Paris, Frankfurt and Milan, and numerous subsidiaries: HONEYWELL GmbH, Frankfurt (factory at Dormingheim and Nuremberg), HONEYWELL SpA, Milan (branches at Catania, Florence, Genoa, Palermo, Rome, Turin, etc.) HONEYWELL Sarl, and HONEYWELL DEFENSE PRODUCTS EUROPE Sarl, Malakoff, Hauts-de-Seine (factory at Longpre-les-Amiens, Somme) HONEYWELL NV and HONEYWELL INTERNATIONAL NV, Amsterdam (factory at Emmen) and the Amsterdam finance company HONEYWELL FINANCIERING NV, formed a short time ago (see No 357).

## ENGINEERING &amp; METAL

MEDITERRANEA METALLI MINERALI SpA has just been formed in Milan for the treatment, processing and sales of metals, minerals, machines and tools. Its sole managing director is M. George Littmann, Bolivian chairman of the Brussels CIE SUD-AMERICAINE DES MINERAIS & METAUX-SUDAMIN SA, and it has Lire 15 million capital, half of which has been put up by two Panamanian holding companies: HOCHMETALS CORP and CIA MERCANTIL CORONA SA, which also holds shares in Sudamin, whose capital was raised to Bf 12.5 million in 1964. Sudamin's other shareholders are Herr Karl Hirschfeld and two other Panamanian holding companies, EMPRESAS SUDAMERICANAS CONSOLIDADAS SA and NAROCO SA.

\*\* The Pittsburgh ALUMINIUM CO OF AMERICA-ALCOA (see No 376) is considering the construction of a processing factory in central France; it is negotiating the acquisition of land in the industrial zone of Boutheon in the Loire. The American group's French agent is C.M.M.P.-COMPTOIR DE MINERAUX & MATIERES PREMIERES SA, Paris and Aulnay-sous-Bois.

ALCOA recently formed ALCOA (NEDERLAND) NV, Rotterdam, (capital Fl 3 million) which will be responsible for the aluminium oxide factory now being built in the Europort zone. This will begin to operate in 15 months time, using bauxite from Surinam (a Common Market associated country) and will export 90% of its production (see No 372).

## PLASTICS

POLYMER S.A.F., the 95-5 joint Paris subsidiary of the Canadian POLYMER CORP group of Sarnia, Ontario, and BANQUE DE PARIS & DES PAYS-BAS, is to take part in the building and running of the Carling, Moselle steam-cracking plant. This venture has already been backed by SAARBERGWERKE AG, Saarbrücken (see No 384) and CHARBONNAGES DE FRANCE, Paris (mainly through HOUILLERES DU BASSIN DE LORRAINE, Merlebach, Moselle). Some of the butadiene produced by this plant will be used by the synthetic rubber factory run by Polymer S.A.F. in Wantzenau, Bas-Rhin.

## TEXTILES

DE VRIES & SUSAN FRANCE Sarl, Paris (capital Ff 35,000) has been dissolved. It was formed in March 1962 (see No 282) as an almost wholly-owned subsidiary of the Dutch textile concern NV KLEDING-INDUSTRIE DE VRIES & SUSAN, Amsterdam (ready-mades).

Since the beginning of this year, the founder has been controlled by CONFECTIE ATELIERS CHAS. MACINTOSH NV, Terwinselen (see No 340), and is associated with CHANRAY LTD, London in CHANRAY BELGIUM NV, Saint-Josse-ten-Noode and CHANRAY (NEDERLAND) NV, Amsterdam.

## TRANSPORT

A co-operation agreement has been signed between the leading French food storing concern CIE DES ENTREPOTS & GARES FRIGORIFIQUES SA, Paris (capital Ff 10.55 million), and its German counterpart GESELLSCHAFT FUER MARKT- & KUEHL-HALLEN.

The latter (capital DM 12.5 million) is a 14% affiliate of the cold storage concern LINDE AG, Wiesbaden (see No 381) and has interests in several refrigerated transport concerns including KUEHLTRANSIT AG, Hamburg (51%) and TRANSTHERMOS GmbH, Bremen (in which DEUTSCHE BUNDESBahn has a 33.3% interest). The French group is controlled by CIE DU CHEMIN DE FER DE PARIS A ORLEANS SA, Paris (part of the MM. DE ROTHSCHILD FRERES SA group of Paris) and its shareholders include: SOFINA-STE FINANCIERE DE TRANSPORTS & D'ENTREPRISES INDUSTRIELLES SA, Brussels (see No 381), CHARGEURS REUNIS SA, Paris (see No 364) and S.T.E.F.-STE FRANCAISE DE TRANSPORTS & ENTREPOTS FRIGORIFIQUES SA, Paris (a 67% subsidiary of the SNCF). It is about to take over two other firms in the same sector: GLACIERES HYGIENIQUES D'Auvergne SA and ENTREPOTS FRIGORIFIQUES DE L'EST, after having taken over its own 40% affiliate CIE DES ENTREPOTS FRIGORIFIQUES DE L'OUEST SA, Paris (capital Ff 3.15 million - see No 356).

## VARIOUS

The French footwear and vulcanised rubber concern ETS JAUFFRINEAU PERE & FILS SA, Treize-Septierr, Vendée (capital Ff 1.05 million) has gained a West German interest by forming ARIMA SCHUH GmbH IMPORT- & EXPORT & GROSSHANDEL, Langen, Hesse (capital DM 100,000). The new firm is to be managed by Messrs. Paul Jauffrineau, director general of the French company, and Herr Kurt Hottinger of Langen.

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