Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

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November 2, 1967 No.433

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

OPERA MUNDI EUROPE

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

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

SWITZERLAND
54 Rue Vermont GENEVA
TEL: 33 7693

ITALY
72 Corso di Porta Romana MILAN
TEL: 540.301 - 540.309

BENELUX
4 Boulevard Anspach BRUSSELS
TEL: 18-01-93

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

THE WEEK IN THE COMMUNITY

October 23 - October 29, 1967

The Lausanne Affair

On the morning of Saturday October 28, the majority of Britain's morning papers carried stories which in varying degrees indicated that a high placed British source in Europe had stated that strong retaliatory measures were being considered, should the present Common Market application fail. The steps mentioned in the reports, included the withdrawal of the Army of the Rhine, the abandonment of support for German reunification and possibly the recognition of East Germany, as well as the reduction of Britain's economic and political role in the defence of Western Europe, and more specifically a review of Britain's position in NATO and in the Four-Power Berlin agreement.

Throughout Saturday official sources were at pains to deny that there was any truth in rumours of such changes in government policy, and the Foreign Office issued a categorical denial that any threats had been made to either France or West Germany. However it was by now becoming clear that the reports had originated from talks Lord Chalfont - Britain's appointed EEC negotiator - had held with the diplomatic correspondents of British newspapers during the evening of the EFTA meeting held in Lausanne on Thursday of last week. Most reports indicated that he was talking off the record and that the so-called threats to Europe were only possibilities. However, he also said that these represented personal views, and should not be taken to indicate that there had been a change in official Government policy. But the rumours seem to have started because some of the journalists present took Lord Chalfont's words to mean that a change was in fact being contemplated by Whitehall, and although the British Government has denied this, the damage has been done. One might however, ask whether the journalists concerned are not making a story out of well-known facts. Mr. Wilson and Mr. Brown - despite their statements - must have given some consideration to ways of increasing pressure on France and West Germany, thus showing that Britain can yet bargain from strength, if necessary. But the suggestions contained in the report would in no way help Britain to join the Common Market, even at a later date, which is after all an aim accepted by the three political parties. One may well ask where room would be found in Britain for the 50,000-odd men of the Rhine Army and their families, for one thing - or has Lord Chalfont engaged in governmental kite flying to test reactions at home and abroad? If so, this seems to have been done in a manner guaranteed to cause irritation and anger all round, and indeed such a moment would scarcely have been chosen to carry out this manoeuvre, as Britain is still waiting for the results of the forthcoming meeting of the Council of Ministers on November 20, and she has nothing to gain by appearing to adopt such a tough line. Again, the verification of such rumours would provide General de Gaulle during his next Elysian discourse with ideal ammunition for reputing Britain's efforts to prove herself truly European in spirit.

By Monday, the reports had become a major talking-point, but it was agreed that this would not be the first nor the last time that slips would be made over Britain's Common Market bid. It was now confirmed that the reports appeared to have arisen out of a misunderstanding as to the "off the record" nature of Lord Chalfont's talks, and that the ideas were entirely personal. Nevertheless, there can be few who doubt that public opinion in Britain might become seriously disillusioned with the European idea, should France manage to delay entry for a number of years.

Fortunately, official reactions from the country most threatened in the rumours - West Germany - do not appear to have been particularly put out by them. On Saturday, a spokesman for the West German Foreign Ministry said that the reports were "patently absurd", whilst in later statements it was made clear that at no time had anything along the lines suggested been raised during the meeting earlier in the week between Dr. Kiesinger, and the Prime Minister. The Dusseldorf financial paper Handelsblatt on Sunday, maintained that there is no smoke without fire. If the reported threats were intended to confuse West German opinion, it was doubtful whether this would really help Britain's attempt to join the Common Market. Monday's West German press carried stories along similar lines, and on the same day Lord Chalfont received a telephone call from the deputy West German government spokesman aimed at finding out what had happened in Lausanne. The British Minister, who has been a personal friend of Herr Ahlers, since the days when he was the defence correspondent of the Times, apparently said that the most extreme versions of the reports had been published by sections of the British press opposed to entry into the EEC.

The attitude taken in Paris by official circles betokened discreet contentment, for the reports, despite official denials, cannot but help France's approach to the problem. However, M. Andre Fanton, one of the secretaries of the Gaullist party said that "both the British Government and press should know that neither threats, nor diversionary measures, nor poisoning, nor vulgar or petty blackmail are likely to help British entry". After comparing Britain to "a gentleman" trying to become a member of a club without accepting its rules for new members by "threatening either to break the door down or set fire to the building and its surroundings", M. Fanton said "Britain's press and politicians would do better if they expressed the difficulties facing them realistically and frankly, and above all gave straightforward answers to the fundamental questions raised not only by the French Government, but also by many sectors of European economic and public opinion. The French financial daily "Les Echos", under the headline, "A British faux pas", says that London should understand that the co-operation between the Six has evolved into links different from those traditionally associated with international agreements, whilst reactions on the Continent should show the mistake made by Britain. The "Figaro" belives that the reports show the intellectual distance still separating the British Government from the Community idea. "Combat" discerned a warning to General de Gaulle that Mr. Wilson might try to out-do his own Gaullism vis-a-vis Eastern Europe. Le Monde considered that "whether deliberate or fortuitous, the incident was equally revealing of the fundamental attitude of many British leaders".

In Brussels, President of the Common Market Commission, Jean Rey, reaffirmed on Friday October 27, in a speech to the European League for Economic Co-operation that Britain would have to make an increasing effort to improve her economic situation, but no-one had the right to ask her to carry out such an effort before a closed door. The "Chalfont affair" reports in the British press were treated with incredulity and astonishment.

The Conservative Party at first took a strong line over the reports, but gradually played them down. They could not attack "off the record" briefings, since these are part and parcel of political life. The general line was that there should be no personal attack on Lord Chalfont nor pressure on him to resign, but that there should be a strong statement from the Prime Minister of where British policy now stands.

During the Tuesday debate on the Queen's Speech, Mr. Heath said that everything should now be done to limit the damage. Dealing in general with the Common Market, he asked whether the Foreign Secretary was right to say there had been no setback to British entry by the French Foreign Minister's Luxembourg statement. The Five might try to persuade France to allow negotiations to start, but they would not risk breaking up the Community to do so. It was fundamental that the Government should recognize that. He hoped that they would not underestimate de Gaulle. It was evident that negotiations would take a considerable time and that there can be no short-cut.

In his reply, the Prime Minister said that Lord Chalfont had been asked a number of hypothetical, questions at an off-the record, non-attributable meeting, and that most of the points in the press came from the press themselves. The Minister of State had "offered to place his office at my disposal" but he did not think that circumstances warranted this step. The various European Governments - and especially that of West Germany - have treated the reports with "robust scepticism". Mr. Wilson also said that if "a veto were imposed, or if any negotiations on British entry were indefinitely frustrated, we regard ourselves as unequivocally committed to our main purpose. We should still pursue an unequivocal European policy, based on Britain's adherence to the Community." There was "no Government decision, or thought of a decision, even on a contingent basis, to change the course which we have set ourselves. That is the position of the Government".

* * *

GERMANY

Kiesinger's Visit to Britain and German Views on Enlargement

Official German views on the enlargement of the Common Market have been somewhat ambivalent over the last few months. On the one side, there is Herr Brandt, German Foreign Minister, who was and still is definitely in favour of British entry, and on the other Chancellor Kiesinger, whose attitude, though never very clearly expressed, has always seemed more lukewarm to Britain. The main purpose of Kiesinger's visit was to clarify his position on Britain's bid.

If this was Kiesinger's aim, its realisation took a negative form, and as one British diplomat said at the time, "At the moment, we know more what not to expect than what to expect from Kiesinger." A statement clearly backing British entry was, however, put out by the Chancellor on his departure from London:

"The Federal Government considers that Great Britain should become a member of the European Communities. It will carefully examine the objections to British membership which have been raised within the Community of the Six... During the deliberations initiated among the Six, the Federal Government will endeavour to help overcome the difficulties that have arisen, and trusts that these deliberations will soon lead to the opening of negotiations with Great Britain." Such diplomatic utterances do not reveal how far Kiesinger is prepared to go in backing the application, especially as this will obviously bring him in direct confrontation with de Gaulle. Kiesinger is obviously not keen to upset the Franco-German alliance, nor can he (as the General seems to be able to do, at least in the short run) turn a deaf ear to continental public opinion, which is turning more and more in favour of British entry.

The British Press last week tended to play down Kiesinger's expressed intentions to help the United Kingdom through the door. Before leaving for Bonn, the Chancellor replied to Press accusations that his attitude to Britain had been lukewarm. In fact, he simply thought that his own more cautious method of approach was a more effective way of dealing with the General. As he had remarked in a BBC television interview on October 23, the General was a proud man, and merely "banging on the table" in front of him would therefore have little effect beyond making him even more obstinate. He therefore intended to employ a more subtle "soft-sell" technique towards the General - to convince him that there is no other way, Britain must join in the end. Although M. Couve de Murville's Luxembourg speech did not constitute a veto, he recognised that Britain's entry into the Community would be slow and laborious. This being the case, he is calling on Mr. Wilson to be patient, to wait for a more politic moment for entry. But Mr. Wilson is no man for the waiting game: he prefers the dynamic policy, the "tough" approach to politics, so this course, unless well disguised, would be complete anathema to him.

The German papers cast a slightly different light upon Kiesinger's statements regarding British entry. They were much less pessimistic than their British counterparts, and saw the Chancellor's attitude as both favourable and helpful to Britain. "Die Welt" speaks of an "unexpected obdurate speech" by Couve de Murville, which, according to all indications, "surprised" the Chancellor. Kiesinger is quoted as saying, "We do not share the French point of view, but we are prepared to discuss the matter thoroughly, together with our other partners in the Community." "I am sure that the first round (of talks) in Luxembourg will bring encouraging results." Germany would do all in her power to facilitate British entry, but not at the cost of endangering the integrity of the Community. A healthy, sound Community was much more important to Bonn than British entry, wrought by force. Just as France had not vetoed British entry, in deference to Community opinion, and had thereby avoided a crisis, so Germany could not risk a "show-down" by forcing British entry on the Community.

Herr Willy Brandt has always been more on Britain's side. Last Thursday in the Bundestag he again spoke out unequivocally in favour of British entry, followed by the entry of the other EFTA states. His statement ran thus:

"We are of the opinion that a failure of the endeavours to bring in Britain and the other EFTA states would lead not only to widespread disappointment, but would seriously impair the further development of the Common Market as it exists." He went on to deal in some detail with the French demands that Britain should get her balance of payments in order before negotiations could be begun. Herr Brandt thought that the mere act of starting negotiations would have a favourable effect on the British balance of payments and help straighten out British economic and monetary problems. Furthermore, Bonn found it unjustifiable that the present members of the Community should make stricter stipulations for entry for those applying now than they made for themselves in 1958 when the Community was set up.

What it all came down to in the end, said Herr Brandt, was that negotiations should begin without delay; the Community could not become fully informed of the real facts of the situation, especially the facts of Britain's currency, her balance of payments, agricultural policy and Commonwealth ties without discussing them in detail with Britain. Final conclusions could not be drawn in a vacuum; Britain had to be consulted.

Mr. Wilson now knows where he stands; he knows the limits to which Germany will go to help Britain join the Community. These limits lie where the danger of a split in the Community begins. Because Paris could precipitate such a crisis at any time, Bonn's support for Britain is necessarily dependent on the future policy of the French government.

* * *

AGRICULTURE

Common Prices for 1968 Agreed

After the longest "marathon" meeting in their history, the Six's ministers of agriculture finally agreed common grain and beef prices for 1968 at 7.20 a.m. last Friday morning. It is a tribute to their stamina that, after a short half-hour break for breakfast, they went back to the negotiating table for the remainder of the morning.

The essential problems facing them, from a Community point of view, and excluding for the moment the divergencies between the national points of view, were put forcibly by M. Mansholt. In the cereal sector it was very desirable to encourage Community production of maize, an essential feed grain which is still being imported in very large quantities; the wheat price must be left as it was lest it stimulate further unmanageable surpluses. The beef price would have to be raised, both to give some comfort to restive producers and to increase the degree of protection against imports from outside the Community; the overall supply of beef in the Six is still in deficit. And if possible the agricultural fund (FEOGA) should not be burdened with further charges. The Commission had already proposed considerable increases, and the ministers found themselves in the uncomfortable position of having to refuse these tempting suggestions in order to arrive at an acceptable compromise.

The wheat price issue was never really in doubt; only West Germany had shown signs of wanting this raised, and her five partners had no difficulty in resisting her demands. She was compensated to some extent by an increase in the rye price, which has virtually no effect on anybody else since they hardly grow any. Maize was the real problem. Supporting the Commission's point of view was France, who wanted a large increase - to at least 4% above the price of barley On the other side were the Italians, heavily dependent on maize as a feedingstuff, who wanted no more than a 3 or 4% increase on the existing price. Also in the game were the Germans, because they wanted the barley price raised. The combination of all these factors gave a possible bracket for the increase of between 2 and 8%. The final decision to raise the price by 4.75% is certainly a step forward in increasing maize production, but the hope of making maize the leading grain by putting the price above that for barley has not been realised. The fact that the price of wheat has not been put up is also a considerable plus in establishing a balance in the Community's grain production.

As had been expected, there was heavy French pressure for a substantial increase in the orientation price for beef (by 5.5%) and determined resistance from the Germans, anxious to preserve their trading links with Denmark. The final increase of 2.8% will mean an increase of 6.8% in the present French price, and it is thought in Brussels that there may even be another revision before the new season begins, and the price will almost certainly be raised again in 1969. France has also been given a concession in the shape of an instruction to the Commission to prepare a scheme for supporting the beef market. The new orientation price will mean an even higher degree of protection against imports, since raising the orientation price will automatically entail an increase in the rates of import levies. The French will also have been pleased at the final act of the Council during Friday morning, which was to overcome the difficulties about support buying on the pigmeat market from July 1, next year. They also managed to find a solution for the control of the sugar market up to July 1, 1975, by agreeing an extremely elaborate system of quotas to which a guaranteed market and a guaranteed price will apply.

The increased cereal prices will add something to the burden of expenditure which the agricultural fund has to accept, though it is not possible to say yet how much. But the higher beef price and the market support scheme should not mean additional charges since it is scarcely likely that prices will fall so far that heavy support purchases have to be made over any extended period.

No doubt the new increases will not be greeted by wild enthusiasm by the Community's restive farmers, any more than they will by some of the Six's suppliers, notably of beef and maize; the USA, the Argentine and Denmark will be the most affected. But at least the ministers have resisted giving in to the heavy pressure which their own farming organisations have been exercising lately and their agreement has the merit of facing up to economic realities.

* * *

E.C.S.C.

New Moves towards a Common Energy Policy

Since its inauguration, the new single Commission has had the problem of a common energy policy high on its order of priorities. The factors contributing to this are the rapidly worsening situation of the Community's coal industry, the Middle East war and the efforts being made in some member countries to establish a more nationalistic oil policy. If these divergencies are not harmonized, true economic integration of the Six will remain unrealised. This was the approach taken by West Germany's President of the Council, Dr. Schiller, when he stressed the urgent need for a solution. But this can only be viable if it is worked out within the framework of an overall common energy policy.

The Commission can have little doubt therefore that it will be backed by the Council of Ministers, when it begins to work out the principles behind such a policy. Herr Hagerkamp, the German member of the Commission responsible for energy problems, has already announced that he does not intend to let matters stand still. Already the various experts under the guidance of the relevant Commission working party, are beginning to study the problems of basic principles for a common energy policy, and this work will certainly speed up once the Commission's internal administrative reorganisation, now actively under way, is complete. When this preliminary work is finished, the Commission will consult the governments of the Six, as well as the various groups involved (producers, employees, consumers), and the hope is that by next spring, a summary of its conclusions will be ready for submission to the Council of Ministers.

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Helping 6,000 Workers

The Commission has decided to grant aid under Article 56 of the Paris Treaty to some 6,000 workers affected by complete or partial closures of coal and iron mines and steel plants in Belgium, France and West Germany. The sums involved are Bf 25 million in Belgium, Ff 1,326 million for France, and DM 3.91 million for West Germany.

*

Increasing Aid for Industrial Retraining

The representatives of the Ministries of Labour in the Six, the trade organisations for the coal and steel industries, and bodies connected with industrial training took part in the conference on industrial retraining held in Luxembourg and organised by the Commission. The aim of the conference was to exchange ideas and experiences concerning the different measures used by each Common Market country. The first conclusion which the conference came to was that industrial retraining played an increasing part in the efforts directed at finding new jobs for ECSC workers affected by total or partial closures of their places of work. For although during previous years it has been relatively easy to find new employment for paid-off miners or steel-workers in similar sectors, today the whole situation has changed. The need for labour in the coal industry is rapidly shrinking, whilst the steel industry is undergoing a comparable - though less harsh - period of change, as whole steel producing areas are modernising and rationalising. This means that in future industrial retraining schemes will become one of the major factors in readaptation programmes, and this will be especially the case where, with the backing of Community financial assistance, new industries are installed in the relevant areas.

The Commission has been aware of this problem for some time, and a year ago it carried out a survey amongst member countries, and it was on this survey that last week's conference was based. The main conclusion reached was that it was necessary to define how industrial retraining should be tailored to workers' readaptation, and how this retraining should be organised. The Commission envisages carrying out a detailed study of these problems.

* * *

ASSOCIATION

Closer Links with North Africa

After a break of nearly thirty months, the EEC is once again to start talks with Tunis and Rabat. The aim of this second mandate, given to the Commission by the Council, will be the signing of an agreement with both countries. During earlier discussions it was agreed that the intra-Community regime will apply to Moroccan and Tunisian manufactured products.

The new mandate should result in solutions being found for the following problems:

1) Olive oil: No real reduction in duty will be granted to Tunisian producers, who will therefore be unable to sell to the Community at lower than world prices. However, part of the Community levy of $50 per ton will be paid back, and there will be no quota limitation on their exports.
2) Citrus fruit: Provided a minimum price level is maintained, citrus fruit exports from both countries will be granted an 80% reduction in the rates imposed by the Common External Tariff. Israel, Spain and Turkey will be given a 40% reduction in compensation.
3) Petroleum: Both countries will be able to export 100,000 tons duty-free into the Community each year.

These new offers made by the Community do not solve all the problems up for negotiation with the North African states. There is still a need to find common ground as far as cereals, wine and tomatos are concerned, since these account for 40% of Moroccan and Tunisian exports to the Community. There is also the problem of financial aid from the Common Market and the social terms of the proposed agreement, for the workers from both countries in the Six. However, both Moroccan and Tunisian representatives have expressed their satisfaction that negotiations have started once again, and stressed that this move helps to back the policy of moderation and co-operation adopted by President Bourguiba and King Hassan.

* * *

EUROPEAN INVESTMENT BANK

Help for the Mezzogiorno

Last week the EIB signed five loan contracts in Rome with the Cassa per il Mezzogiorno covering a total of $7.96 million (4,975 million Lire) at 6.5% p.a. for five projects in Southern Italy. The funds are relent to the regional ISVEIMER - Istituto per lo Sviloppo Economico dell'Italia Meridionale, which is also helping to finance the five projects.

1) McQuay-Europa SpA: a joint Italo-American venture, will set up an air-conditioning production unit at Ariccia, Latium. The fixed investments of the project amount to $1.73 million, and the EIB is contributing $720,000. This particular industry is well suited to the creation of medium-sized firms, and the market prospects are good. Furthermore some 120 jobs will be created.
2) Help will be given to the Alfa-Romeo plant at Pomigliano d'Arco, Naples, to increase production. Alfa-Romeo SpA, Milan, is the subsidiary of IRI - Istituto per la Ricostruzione Industriale and Finmeccanica, itself a subsidiary of IRI. The new investment covers industrial diesel engines, the assembly of light trucks, the manufacture of mechanical sets and the assembly of vans,

as well as the overhaul and repair of civil aviation engines. The EIB is contributing $2.20 million towards the total fixed investments costs of $4.38 million, and it is expected that some 600 new jobs will be created.

3) The I.D.A.-Industrie Dietetiche ed Alimentari SpA, a subsidiary of Societa Del Plasmon SpA (since 1963 part of the American Heinz Co, Pittsburgh), will build a factory at Latina, Latium, to make homogenized infant foods. The new site will enable the promoters to off-load their production units in Northern Italy and to take advantage of the expanding markets of Central and Southern Italy. The factory will use large quantities of fruit, vegetables and meat, and this can be expected to have a beneficial influence on local agriculture. The EIB is contributing $2.60 million towards the total fixed investments of $5.76 million, and the new plant should emply several hundred people.

4) The thermostat plant at Salerno owned by the Swiss group Landis & Gyr SA of Zug (through Landis & Gyr Italiana SpA), which was built with the help of the EIB, is being extended to increase its nominal production capacity from 1.2 million to 1.8 million thermostats annually. This should raise the number of people employed from 500 to 625, and the EIB is contributing $1 million towards the total fixed investment costs of $2 million.

5) S.M.F.-Sofinmar SpA, Ascoli Piceno (formed by three Italian companies and a Belgian company), will build an integrated tannery and a footwear factory. The tannery will produce 4.6 million sq. ft. of tanned hides annually, and the footwear factory 2.7 million pairs of shoes, using 2.6 million sq. ft. of hides supplied by the tannery. The Belgian company will be largely responsible for sales, as it has a well-established marketing network inside and outside the Six. The EIB is contributing $3.28 million, and jobs for several hundred people will be created.

* * *

SCIENCE AND TECHNOLOGY

Common Scientific Policy by June 1, 1968?

Even though her technological resources are one of the largest bouquets Britain is offering the EEC in recommending herself for membership, and even though her strongest supporters, the Benelux countries, are reluctant to allow the Six to make any binding decisions on policy in this field before Britain's candidature has been fully dealt with, a definite step towards a common scientific policy was taken by the Ministers of the Six on October 31. This was at a Council meeting of the Common Market ministers of science, and it was none other than the Belgian Prime Minister who expressed the relevance of the meeting in the context of Britain's application. M. Paul van den Boeynants put it this way:

"We still hope that Britain will join the Community, since the U.K. would bring serious advantages in the technological field. But we cannot stand still, we must have a technology policy anyway, and the decisions we have taken will be open for British participation at a later stage."

Thus even in one of the sectors where Britain could make a major contribution, the Six have proved that they are not prepared to lose their own momentum, or let things slide while the enlargement issue works itself out.

Two key dates emerged from the meeting. The first was March 1, 1968, by which time a group of national experts on the EEC's medium-term policy committee are to draft a preliminary report on suggested common measures for the Six in the following fields: data processing and telecommunications, development of new means of transport, oceanography, metallurgy, environmental problems (air and water pollution etc.) and meteorology. This report is also to take account of existing co-operation through various organisations already functioning, and to make provision for associations with other European countries. Other matters to be covered by the expert group will be the possible inclusion of further sectors in the Community programme, national programmes and budgets (see table below) and the feasibility of setting up a Community scientific information and know-how pool, possibly modelled on the existing Euratom documentation centre (see Nos 380 and 387).

The second date agreed at the meeting was June 1, 1968, by which time the Six's permanent representatives in Brussels will have had opportunity to consider the working group's recommendations, and to brief their ministers for a political decision at a Council meeting by that day.

The following table shows what was invested, in terms of cash and manpower, in research and development by the Six and Britain in 1963 (most recent OECD figures available, and those used in the Commission's report on enlargement), and what the breakdown of research investment would be at the present time, were Britain a member of the Community:

Country	Year	Gross National Expenditure on R & D ($ million)	Scientists, Technicians and Engineers on R & D (full-time equivalent)	Investment Breakdown - enlarged Community (est.)
Britain	1964/5	2,160	159,540	39 %
Germany	1964	1,436	105,010	25 %
France	1964	1,650	85,430	24 %
Netherlands	1964	330	31,310	5.4%
Italy	1963	291	30,280	4.2%
Belgium	1963	137	15,600	2.4%
EEC total		3,493	267,630	

(Note: In the Commission's report, it is pointed out that the U.K. spends 63% of the EEC total on R & D, and that its R & D workforce amounts to 59% of the Common Market total.)

It is worth mentioning also the position adopted by France at this meeting, her spokesman being science minister M. Maurice Schumann. No concrete action was taken on his first proposal, that a Community R & D policy should be formulated, but his suggestion that Community action on fast breeder reactors be taken did receive a positive response. There is a certain irony here, in that the present stagnation of reactor projects in the Community (see No 411) stems largely from France's attitude. Fast breeder reactors are therefore to be discussed at the December 8 meeting of the Council, which will be devoted solely to Euratom questions, but this piece of scheduling is a definite feather in France's cap, since it was the only positive move made at the meeting affecting one of the "hot" sectors (nuclear and aerospace), and was thus the first step towards Community action in such a field from which Britain was excluded.

* * *

BRITAIN AND THE E.E.C.

Fresh Offer for Sterling Talks

On October 26, the Chancellor of the Exchequer, Mr. Callaghan, addressing the Lord Mayor's dinner for the Bankers and Merchants of the City of London, played another card in the Government's intricate poker game with France over the role of sterling and negotiations with the Common Market for membership.

Mr. Callaghan continued to follow the line that France's attitude was not governed by the desire to be obstructive, but rather by the desire to make constructive progress towards the solution of a problem, which she felt existed. "Some may think that these arguments are being advanced not with the intention of promoting a solution of any problems that exist, but as a method of delaying progress in other fields. On the other hand, I prefer to act on the belief that they are being advanced in a constructive spirit, with the purpose of seeking to promote a more effective integration of the economies of Europe."

He discussed the role of sterling and said that it was used by nations in every continent. Nations both inside and outside Europe used it for their own purposes and advantages; this meant that Britain's EEC bid raised the question of how "this great world currency" could be fitted into the monetary and economic pattern of Europe. The problems should not be approached fearfully by Europeans, since he thought that sterling and the City's expertise presented Europe "with new opportunities for financial and commercial expansion." If Britain was an EEC member "a fuller use could be made of this instrument at the service of Europe, and with constructive and imaginative statesmanship we could prepare for a new stage in the evolution of the world monetary system."

He continued by saying that during this century the main reserve assets held by many countries were gold and sterling. Gradually the dollar had acquired a similar position, but without supplanting the other two, and he hoped that within the not too distant future the IMF Special Drawing Rights would take shape as reserve assets. This evolution was bound to continue, and Britain was willing to enter into constructive discussions over the next stages. History had always shown that the task was to supplement reserve assets rather than supersede them. Furthermore, the international monetary system would evolve whether Britain was in the EEC or not.

However, Mr. Callaghan continued, "The question is now whether Europe would wish to take advantage of Britain's application for entry to propel the evolution in a particular direction and so gain greater influence for the Community as a whole." Britain was willing to discuss this with its future partners "assuming as we do that their propositions are put forward in a spirit of constructive questioning". To do this, the topics on the agenda must be agreed on. These include an agreement that no attempt would be made to attack or weaken any national currency, but rather to strengthen the world monetary system. It would be necessary to agree the facts over sterling's role as a reserve currency: "Sterling exists as international currency, not because the British Government willed it, but the world as a whole, governments, bankers, traders and investors, choose to use sterling". The Chancellor went on, "Nobody planned or created the Sterling Area. It developed, like other market institutions, by an impersonal process, with the growth of world trade and the ever more intricate network of financial relationships." Even if the present official holders of sterling reserves decided that they should hold less, it would not necessarily follow that sterling would be any the less important as a trading currency than it was at present.

If agreement should come that the use of sterling as a reserve currency should be reduced, discussions would have to be held to decide whom Britain could partner as banker. Was it to be the dollar zone, the IMF or "in the context of our entry into the Common Market, should there be some development in which the Community played an enlarged role?" Finally, it would also be necessary to safeguard the rights of existing sterling holders.

The Chancellor thought that the question of sterling balances in the light of the EEC application had been greatly exaggerated and that it was not a problem that needed to be settled before Common Market entry. He pointed out that the new Special Drawing Rights on the IMF had taken a long time to evolve, and that even now they were not completely finalised. This made it unlikely that any change in the monetary system affecting sterling could be carried out quickly. Dealing with a common European currency, Mr. Callaghan said that this was a much longer-term question, which could only come about if the Community - including Britain - had achieved a much greater degree of economic integration than now existed. However, U.K. membership of the Common Market would help to bring policies together.

According to the Chancellor, Britain's balance of payments would be restored within the lapse time required "before we can enter the Common Market", and the Government was ready for discussions, "provided they are not intended to delay negotiations on entry into the EEC".

The first official French reply came on Friday, when the French Foreign Minister, M. Couve de Murville, answered questions from Japanese correspondents on Mr. Callaghan's speech. He said that sterling's role as a reserve currency was a question for Britain to solve, and not one to be tossed back to the Common Market countries. The problem was "the responsibility of the British Government".

* * *

Guernsey would join E.E.C.

Guernsey has kept to its traditional policy of disagreeing with Jersey, and has decided that if Britain were to join the Common Market it would have to follow suit, on economic and constitutional grounds. As with Jersey, one of the main problems is the island's tax system, as income tax is only 4/- in the pound, and there are no death duties, purchase tax, surtax or capital gains tax. The States of Guernsey, the island's Parliament, however, intends to try and get the British government to arrange special treatment for the island as far as taxes are concerned. The island's horticultural industry brings in around £11 million a year from exports of tomatoes and flowers, and the fear has been expressed that if a tariff barrier was erected against these products, the island's economy would suffer severe difficulties. Other sources of income for Guernsey are tourism, worth some £6 million in 1966, and investment income, which is now estimated to be worth around £3 million.

With its population of around 46,000, Guernsey has adopted a similar policy to Jersey, and has evolved a system of laws excluding outsiders from becoming permanent residents unless they are sufficiently rich to help boost local taxes. The fear is that this method of controlling the expansion of the island's already densely populated surface might have to go under the Rome Treaty.

* * *

COMMONWEALTH

Mr. Thomson puts the Commonwealth in the Picture

A meeting of the Commonwealth Parliamentary Conference was held at Kampala, Uganda, on Monday this week. The meeting was used by Mr. George Thomson as a platform to explain the advantages to the U.K. of applying for membership of the European Economic Community, and the implications for the Commonwealth.

Mr. Thomson said that Britain was seeking entry into the Community for political as well as economic reasons. "We cannot ignore the economic advantages which would flow from the creation of a vast single market in Western Europe with a gross national product approaching two-thirds that of the United States, and greatly superior to that of the Soviet Union." These arguments are, of course, not unfamiliar to British ears, but here the context was slightly different, Mr. Thomson taking care to assure his audience that British entry "should not damage the essential interests of any Commonwealth country".

In fact, during the 1961 - 1963 Brussels negotiations some progress was made towards achieving satisfactory concessions for the Commonwealth countries. A seven-year transition period was agreed for the developed nations of the Commonwealth - Canada, Australia and New Zealand - during which time Britain would gradually align her tariff on manufactured imports from these countries with the Common External Tariff. A solution was also in sight for the treatment of processed foodstuffs from these countries. Also discussed at the time were the problems of such countries as India, Pakistan, Ceylon and Hong Kong, with special reference to the exclusion of duty on certain key products such as tea. The African and Caribbean countries were offered full association, or if this was not acceptable to them, an alternative reciprocal trade agreement was mooted.

In most cases, then, Britain had called for a revival of these "Brussels" arrangements, with special reference to the trade agreements with Pakistan, India, Ceylon, and possibly Malaysia. Britain had also sought special concessions, so that she could honour her commitments under the Commonwealth Sugar Agreement, and also give reasonable safeguards to the New Zealand dairy interests.

If Britain were to gain entry into the European Community, Mr. Thomson could see no reason for a decline in aid to Commonwealth countries; only the channels through which the aid would come might change. Nor would the flow of Commonwealth immigrants, as at present allowed under the Commonwealth Immigrants Act, be stemmed.

The Commonwealth Secretary concluded his address with solemn assurances of British goodwill towards her Commonwealth colleagues. "Finally, we have made it clear that we shall need reasonable transitional arrangements over the whole field of Commonwealth trade."

* * *

EIRE

A European Week for Mr. Lynch

On Monday, October 30, the Prime Minister of Eire, Mr. Lynch, flew to Copenhagen for four days of talks with the Danish Government. The main topic for discussion was membership of the Common Market. Both countries, along with Norway, and their principal customer, Britain, have applied for full membership of the EEC.

On Friday, Mr. Lynch will be in Paris to hold talks with the French Government concerning Eire's bid to join the Six. He is also expected to meet General de Gaulle, and it will be interesting to note whether the French attitude seems any more flexible than at present, as certain reports from Paris appear to indicate.

* * *

COMMENT

A Letter from our Belgian Correspondent in Luxembourg

THE FIRST FROST

Was it the beginning of the end for Britain's hopes of Common Market membership last week in Luxembourg or only, as Churchill put it, "the end of the beginning"? On the face of it, there is now little point in pursuing Britain's candidature any further, for M. Couve de Murville's proposal that (a devalued) sterling should abandon its role as an international currency places a condition on Britain that it would not be feasible to meet for a matter of years, a condition that is all the more unacceptable for the fact that it is put forward as the precursor to mere negotiations, and not to membership as such. M. Couve de Murville's insistence that his country is not opposed to EEC enlargement in principle is thus almost completely negated by the host of objections he finds in practice. The danger here is that even if Britain sacrificed the pound on the European altar, in order to secure her place at the negotiating table, France could still find reasons enough up her sleeve to keep Britain out of the Community - and at such a time, she would be left utterly isolated, an offshore island with neither monetary nor political affinities with her neighbours.

To a man, British observers in Luxembourg took the French Foreign Minister's words as a barely disguised veto, and indeed, short of the most abrupt "non", France could scarcely have been more intransigent. But this did not prevent Harold Wilson, next day, from reaffirming that "our application is in, and remains in". Indeed, even in Luxembourg none of the Six thought twice about arranging to continue the discussion on November 20, and never did anyone think to say, "If M. Couve de Murville has now given us his Government's final position, I can see no reason for any further discussion of the matter". Far from it: there was no real surprise at the demands from Paris, and nobody felt impelled to question the validity of the economic and political thinking behind the proposal. Joseph Luns, for the Netherlands, was the only person present who brought up the monetary question, and then only to point out that it did not fall within the scope of the Rome Treaty.

This rather curious and paradoxical situation is perhaps best explained by the apparent tacit agreement between the Six, even before they gathered in the fine new Kirchberg European Centre, that the time for earnest discussion - a show-down - had not yet come. Their main object at this meeting was simply to present their various "manifestos" on the British question, and to come to some sort of agreement on the form of their preliminary six-sided discussion of the matter, a form so vague that none could take exception to it. It would at least be safe to say that nobody was spoiling for a fight.

To put this slightly bizarre meeting down to nothing more than the time-honoured "Community approach", whereby all major questions seem to receive quiet, unimpassioned treatment during first sittings, however, would be to skim the surface of the matter, for there is a far more simple and basic factor involved. This is the concern of all of the Six that another crisis in the Community must at all costs be avoided, not only because it would damage the interests of all, but also because each is convinced that it can win acceptance of its views on the matter without precipitating such a crisis. This demands closer examination.

As far as the Five are concerned, all have very much in mind the possibility that General de Gaulle could yet issue a downright veto, without right of appeal, but all are equally sure that he is now standing on far less firm ground to make such a move than he was in 1963. The Five feel still more strongly that the likelihood of a French veto would be even more reduced if talks with London were actually under way (this seems to be borne out by the efforts France is making to prevent talks, or to put it another way, to make sure that these talks become subject to only the most stringent preconditions). None of France's partners seem to be in any doubt as to the fact that Mr. Wilson "means business", that he is prepared to make considerable concessions to secure entry, and that therefore a veto issued during talks would amount to nothing less than a gratuitous act of hostility - which could have the effect of putting Paris out on a limb, and without forcing Britain to retreat completely within her island confines as she did last time. As long ago as 1965, when the "European crisis" blew up, there were those who proposed an alternative solution with Britain taking part, but Britain "wasn't having any". This time, she would be only too glad to oblige - certainly, this possibility is something to chew upon.

Thus the battle would be half won if the Five managed to secure the opening of negotiations with Britain, and they also feel that France can be compelled to accede to this, if only by sheer movement of events. They are banking on protocol, and on the slow but irresistible momentum of EEC procedure. Britain has submitted her application, and this has been dealt with. The Six agreed unanimously to seek the Commission's advice in the matter, and the Commission returned its unanimous findings, stressing the need for talks to get under way - all of which means that the machinery of Article 237 of the Rome Treaty has been set in motion. There is no reason yet why it should be stopped, especially if it is properly lubricated. This is the outlook of the Five in a nutshell, and it is the reason why, even without waiting for France to suggest it, they agreed that the Commission's report should be dealt with first by the Council of Ministers, utterly convinced that out of such a meeting would emerge the self-evident truth: that it is impossible to find any solution to the various problems posed by enlargement without giving Britain a hearing. This, too, is why the Five appear to be so vague about the manner in which the audience should be offered. Their approach is further helped by the fact that Article 237 makes no specific reference to intergovernmental talks as such; it simply leaves scope for any kind of talks or "cross examination". While it is true that Britain is lukewarm to the idea of "second hand" negotiations - because this might compel her to lay all her cards on the table, and before a body that has no final say in the matter - the Five feel that such an approach is going to become increasingly important, if success is to be achieved in the end.

M. Couve de Murville's tactics, then, perhaps reflect this situation. He has obviously realised that his ends would be very ill served by the process of negotiation. Hence his openly admitted anxiety to keep the issue down to fundamentals. At worst, this approach could mean further delay in reaching a decision on the opening of negotiations: the French foreign minister has stoutly insisted that he is not trying deliberately to gain time, but we would be surprised if he was sorry to lose any. His position is also strengthened by the fact that the Five are ensnarled in the elastic of their own tactics, being unwilling to hazard a trial of strength over the issue: certainly not over a question of mere weeks or months - and Paris is clearly aware that she has the advantage here.

All this meant that there were a lot of loose ends flying about in Luxembourg: the Benelux did not cease to insist that preliminary talks should be brief (two months), but this was never fully ratified by the Council. Again, the very objective of the talks still remains uncertain: is it simply to catalogue the problems that must be dealt with in talks with Britain (the Benelux idea), or is it to define solutions to these problems beforehand, and thus to lay down conditions upon which the very opening of negotiations must depend (the French idea)? All we can really say is that nothing is going to deter M. Couve de Murville from his present line: Luxembourg leaves us quite clear about that. Indeed, it took a deal of brow-beating from Pierre Harmel and Joseph Luns to get the Six to include the question of opening negotiations with Britain on the agenda at all - and this was surely the least they wanted.

If the French minister is given any leeway, therefore, the debate will concentrate strictly on fundamentals, and it will take more than one or two meetings for any progress to be made, since there are so many questions, both concrete and abstract, that arise in connection with the British bid. This is really the one way in which France can contrive to jam the brakes on the machinery of Article 237, and we have to ask ourselves what could happen if she secures the delay she is clearly seeking. One possibility is that Britain's economic situation could get even worse (one should say, in passing, that some of the more unguarded comments passed in the Council of the Six on the state of sterling are hardly guaranteed to encourage sterling holders). Another is that, given time in this way, French views on the British problem could get a very thorough airing, especially those touching monetary and financial problems, and it is felt in the Community that this could give rise to even more vacillation in the EEC, and not just among Frenchmen. Time could also put the British themselves off, or at least get them thinking about alternative loyalties again. Opposition from the anti-Europeans in Britain could also stiffen and gain ground, and all this at a time when Mr Wilson's government would be about to turn into the "home stretch" preceding the next election campaign. The question that arises here is, if the French Government wants both to avoid a crisis in the Community over Britain's application to join, and to frustrate this, would the solution be to compel Britain to withdraw?

Whatever the answer, a fundamental aspect of the issue is the sheer tenacity Britain is now beginning to demonstrate over her bid, and over her efforts to get the economy straight. Until now, Mr Wilson and his colleagues have shown not the least sign of faltering in their quest, but they may not be able to keep this up indefinitely. This is the loophole, and because it exists, there may be those among the more pro-British of the Five who will soon begin to loose patience with their temporising tactics. Joseph Luns came out with some rather pessimistic comments about the outcome of the November 20 meeting, and we could yet see the Netherlands, probably backed by Belgium, Luxembourg and Italy, trying to force a decision on that occasion.

Unless Germany comes down solidly on the side of these four, however, one cannot seriously expect anything conclusive to happen at either the November or the December meetings of the ministers, and this still looks to be rather a long shot. Bonn's spokesmen have tried to capitalise on their presidency of the Council to avert any deadlocks (hence their attempt to link the questions of the strengthening and the enlargement of the Community), and this was why they tried to intervene and reach a compromise over the form of negotiations with London. All this did was to place them uncomfortably between the opposing factions of Benelux and France, and it seems that now their main concern is to pull out of the presidency "before the balloon goes up".

The Germans, however, could be placedin a rather embarrassing position if the Benelux, Italy and indeed Britain took it into their heads to denounce Chancellor Kiesinger's anxiety not to cross General de Gaulle as the condonation of French policy, or indeed as complicity. West Germany clearly wants "to be friends with everybody", but in Luxembourg, Herr Willy Brandt has already cast some very meaningful glances in the direction of those seeking the opening of negotiations, and one cannot help feeling that if, in January, he were pushed just a little, he would express open support for this.

If events should take such a turn, we could well see proposals reappearing for those forms of negotiation that France has so far rejected as being too compromising, but which she would then have to settle for, rather than throw the Community into crisis. The battle would then move from the theatre of fundamental issues to that of procedure, with M. Couve de Murville again holding his ground as long as he could. The machinery of Article 237 would have taken another turn, but this would by no means solve the dilemma, for problems as vital as this cannot be conquered by mere artifice. When M. Couve de Murville urges that the problem be studied in depth he is not always merely using a tactical ploy. It is not just a question of the Six agreeing that sterling is sound, the British economy healthy and Britain's imperial past completely relegated to fond memory: far more important is to know what kind of Europe is now sought, and what political aims it must now pursue. The question of Britain's entry will never be answered while this matter remains unresolved. It could yet behove the Five to accede to M. Couve de Murville's terms, thrash out the debate in the field he has chosen, and at last get all concerned to show themselves in their true colours.

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BUILDING & CIVIL ENGINEERING

** The Berlin and Munich insurance group ALLIANZ VERSICHERUNGS AG (see No 430) has purchased a 37.5% interest in the cement works of PORTLAND-CEMENTFABRIK HARDEGSEN AG, Hardegsen, Solling, which has increased its capital from DM 2 to 3.2 million. This company, which has an annual turnover of around DM 13 million, has its major investments in: Sollinger Baustoffhandlung Otto Schonlau & Co KG, Hardegsen (100%); Kalk, Mergel & Steinwerk GmbH, Hehlen (20%); Hannoversche Silo GmbH, Misburg (16.6%); and "Union" Beton GmbH & Co KG, Hanover (10%).

Allianz, which is the largest insurance group in Europe, has numerous industrial interests in West Germany, the main ones being: 28% in the machine tools concern, Schiess AG, Düsseldorf (see No 363); 25% in the metal company Vereinigte Metallwerke AG, Frankfurt (see No 372); 25% in the toiletries and sanitary goods firm P. Beiersdorf & Co AG, Hamburg (see No 415), etc.

** The concrete manufacturing process developed by the American company SAKRET INC, Cincinnati, Ohio, will now be exploited in West Germany by a third company called SAKRET TROCKENBETON STUTTGART GmbH, which has just been formed with DM 20,000 capital and Herren Benno, Hans-Jörg and Ulrich Mast as managers. The latter are also owners of Transportbeton Stuttgart GmbH, Stuttgart.

The special processes are already used in West Germany by Sakret Trockenbeton GmbH, Münster, Westfalen (see No 391), and Sakret Trockenbeton Produktions GmbH, St-Mauritz (see No 416).

** Two West German pre-fabricated building sections firms, ISARTALER HOLZHAUS LUDWIG KRONES KG, Munich, and OBERLAND-HAUS FRANZ INSELKAMMER, Unterhaching b. Munich, are to merge and form a new company called ISARTALER HOLZHAUS-OBERLANDHAUS GmbH & Co KG, Munich. The first named company (formed in 1924) has a share capital of DM 1.5 million, and employs 100 people, whilst the total turnover of the new group will be around DM 5 million.

CHEMICALS

** The Dutch SIKKENS-GROEP NV, Sassenheim (see No 265), a member of the Deventer group KONINKLIJKE ZOUT-ORGANON NV (see No 431), which specialises in paints, varnishes and lacquers, has considerably strengthened its position in the West German market by buying from the chemical and pharmaceutical firm DIWAG CHEMISCHE FABRIKEN GmbH, Berlin (see No 422), its paint interests, which include its subsidiary at Beudorf, Rhineland, Sanapol Werke GmbH (responsible since 1963 for all the group's production of industrial paints and varnishes), as well as the French subsidiary Diwag France Sarl, Romainville, Seine-St-Denis. Diwag has recently become a 90% interest of the cosmetic and pharmaceuticals group Gödecke AG, Berlin. Sikkens already controlled a manufacturing and sales subsidiary, Sikkens Lackfabriken GmbH, based at Emmerich.

Sikkens has around ten Dutch subsidiaries, and its Common Market interests include: Sikkens Groep Belgi NV, Brussels, and Sikkens Fama NV, Gentbrugge (also in Belgium), Sikkens France SA, Paris (formerly Ste Franco-Hollandaise de Peinture SA) and Sikkens SpA, Darmellette.

** ATLAS CHEMICAL INDUSTRIES SA, the Brussels subsidiary, formed in 1966, of the Wilmington, Delaware, group ATLAS CHEMICAL INDUSTRIES INC (see No 364), has formed a wholly-owned Paris subsidiary under the name of Atlas Chemical France Sarl, as part of its work of supervising the group's interests in Europe, the Middle East and Africa. The new company has Ff 20,000 capital, and is to import, export and market chemical products: its managers are MM Michel Vernerey (temporary) and William W. Hays (shareholder), one of the directors of the Belgian company.

The formation of the new company will in no way affect the business of S.E.P.P.I.C. - Ste d'Exploitation de Produits pour les Industries Chimiques SA, Paris, which will continue as exclusive French distribution agent for the American company (especially "Tween", "Spun" and "Rinex" ionic and non-ionic emulsions). Atlas's other main Common Market interests are: Atlas Chemie GmbH, Essen (formerly Atlas Goldschmidt AG) and Atlas-Goldschmidt Italiana Srl, Milan (47.5% interest held by the former), and Atlas Europol SpA, Ternate, Varese.

COSMETICS

** The London firm ALFRED DUNHILL LTD (which has no financial links with the New York company Alfred Dunhill of London Inc - an affiliate of the Carreras Ltd, Basildon, Essex, group through John Sinclair Ltd, Newcastle-upon-Tyne, Northumberland), has signed an agreement with the Paris company MOLYNEUX Sarl. As a result, the latter will manufacture and market in France its "Dunhill" toilet preparations for men.

The British company, which also controls the Paris SA Francaise Alfred Dunhill and the Canadian Alfred Dunhill of London Ltd, is mainly involved in making smokers' requisites.

ELECTRICAL ENGINEERING

** The Swiss electronic and electrical company SUHNER & CO AG, Herisau, Appenzell (capital Sf 4.5 million), has formed a Munich sales subsidiary, SUHNER ELEKTRONIK GmbH. With DM 50,000 capital, the new venture has one of the founder directors, Herr Hans-Ulrich Baumberger, as manager.

** In the French refrigeration industry, GLACIERES & ENTREPOTS FRIGORIFIQUES DE L'ALIMENTATION - G.E.F.A. SA, Paris (capital Ff 8,835,000), has absorbed its subsidiaries GLACIERES & FRIGORIFIQUES DE L'ALIMENTATION SA and LES FRIGORIFIQUES DE L'ALIMENTATION - F.A. SA.

In April 1963, the latter took a 5% interest in the formation of Ste Parisienne d'Etudes, d'Exploitations Frigorifiques & d'Entreposages - S.P.E.E.F.E. Sarl in association with S.T.E.F.-Ste Francaise de Transports & d'Entrepots Frigorifiques SA (67% subsidiary of the SNCF), Ste de Glacieres de Paris SA, Cie des Entreport & Magasins Generaux de Paris SA and Cie des Entrepots & Gares Frigorifiques SA.

ELECTRONICS

** PLESSEY (DEUTSCHLAND) GmbH, Neuss, Rheine (capital DM 450,000) has extended its sales network for electrical, electronic and hydraulic equipment with the opening of another branch in Stuttgart. The company was formed in November 1958 as Plessey Maschinen Elemente by the British electrical and electronics group THE PLESSEY CO LTD, Ilford, Essex.

The Ilford group's most recent Common Market move was the acquisition of a 50% interest in the Italian Turolla SpA, Bologna, which has now become Turolla-Plessey SpA (see No 430).

ENGINEERING & METAL

** The Dutch machine tool trading concern GOSSELAARIS INDUSTRIE & HANDELSONDERNEMING NV, Amsterdam, has closed down the subsidiary it formed in Brussels in Fabruary 1962, GOSMETA NV (capital Bf 2 million). M. Nicolas Gosselaar, who runs the Amsterdam company, has been appointed liquidator.

** GOMEX WERKZEUG AG, Harrislee, Flensburg (capital DM 100,000), subsidiary, formed in 1966 (see No 369) by the Swedish wood- and plastic-working and machine tools group, Gomex Verktyg A/B, Kalmar, has extended its West German sales network by opening a branch in Hertford. The Harrislee concern is directed by Mr. Gunnar Wikner.

The Swedish company (president G. Otteby) has a British subsidiary called Gomex Ltd, London.

** STE CONTINENTALE DES PRODUITS SIDERURGIQUES-COSID SA, Paris (linked with the state group E.R.A.P. through Elf Union and Elf Distribution), has formed a subsidiary at Woluwe-St-Pierre called Cosid Belge SA, in which a 3.48% interest has been taken by the Paris group "MODIANO", represented by M. Isaac Modiano. The new company (capital Bf 1 million) will trade in both raw materials and manufactures; it has M. Maurice Menache as president and M. Claude Bernard as general manager.

The Paris company recently received assets to the value of Ff 687,000 from Union Generale de Distribution de Produits Petroliers - U.G.D.P.P. SA (renamed Elf Distribution), in return for which it took the latter in as a shareholder and raised its capital to Ff 1.54 million.

** The Essen metal and engineering group RHEINISCHE STAHLWERKE AG (see No 427) has decided to increase its business in the chemicals and plastics plant assembly sector. Its wholly-owned subsidiary RHEINSTAHL HENSCHEL AG, Kassel (see No 407), will now co-ordinate and plant production of its specialised subsidiaries, Kunststoffwerk Gebr. Anger GmbH & Co KG, Munich (700 on payroll), and Carboplast Kunststoffwerk GmbH, Essen (150).

** W. C. HERAEUS GmbH, Hanau (treatment of rare metals and vacuum processes - see No 423), has extended its manufacturing interests by gaining 51% control of the Osterode company MARTIN CHRIST oHG. The latter employs some 300 people in the manufacture of centrifuges, and made a 1966 turnover of DM 7.5 million: it will be renamed Heraeus-Christ GmbH.

The Hanau group, which doubled its capital to DM 36 million in August this year, itself had a 1966 turnover of DM 293 million (more than 4,000 on the payroll).

** The American SIMMONDS PRECISION PRODUCTS INC, Tarrytown, New Jersey (1966 turnover of $36 million) which has gained control of the Dutch precision engineering firm BECKER'S SONS NV FIJN MECHANISCHE INDUSTRIE, Brummen has begun to reorganise its interests in the Netherlands. The board of the Dutch subsidiary-based at Brummen - will be headed by M. G. R. van Dis (formerly director of Simmonds Precision NV) will control three divisions: 1) NV FABRIEK VAN TRANSFORMATOREN & APPARATEN v/h WESEMAN & CO, Rotterdam - also known as WESCO (see No 419), which the group acquired in 1966, and will continue to be controlled by M. J. J. Derksen; 2) TECHNISCHE INDUSTRIE & HANDELSONDERNEMING S. BIEDERMAN NV will become part of Simmonds Precision NV - both in Amsterdam; 3) and the firm recently acquired by the Becker group.

** BIRDSBORO CORP, Bidsboro, Pennsylvania has made an agreement with the German SCHLOEMANN AG, Düsseldorf (see No 285), under which it obtains exclusive US manufacture and selling rights, and non-exclusive rights covering Canada and Mexico, for Schloemann's rolling mills.

The German company has DM 10 million capital, shared 50-50 between M.A.N.-Maschinenfabrik Augsburg-Nurmberg AG, Nuremburg, and Gutenhoffnungshütte Aktienverein, Nuremberg and Oberhausen. It has about 1,300 people on its payroll and makes a turnover in excess of DM 200 million. There is a wholly-owned subsidiary in the USA called Feller Engineering Co., Pittsburgh, Pennsylvania, and Schloemann also holds a 15% interest in the Swiss Concast AG, Zurich. Birdsboro Corp, for its part, employs about 1,600 people in its factories at head office, Reading, and Port Carbon, Pennsylvania, and has an annual turnover of around $30 million.

** The American group DEERE & CO, Moline, Illinois (see No 318), has opened a direct branch at Zweibrücken to take over the factory (foundry, assembly plant, maintencance and training departments) run until now by its 97% subsidiary JOHN DEERE-LANZ AG, Mannheim (capital DM 110 million).

The Deere group is one of the largest farm machinery manufacturers in the world (1966 turnover $1,026 million), and in August of this year was quoted on the Frankfurt stock exchange for the first time.

** The Italian maker of air-conditioning equipment EUROCLIMA Sas, Brunico, Bolzano (see No 396) has formed a London subsidiary to distribute its products in Britain called EUROCLIMA (UK) LTD with £1,000 capital.

The Italian firm recently signed a technical assistance and licensing agreement with the British shipbuilding and engineering firm J. Samuel White & Co Ltd, Cowes, Isle-of-Wight.

** The Swedish metal group A/B SVENSKA METALLVERKEN, Västeras (see No 361 - a 22% affiliate of ALCAN ALUMINIUM LTD, Montreal) has formed a Brussels distribution subsidiary CIE BELGE SVENSKA METALLVERKEN SA, in which five of its other subsidiaries also have token shareholdings including Svenska Metallverken Nederland NV, Zutphen and Svenska Metallverken Handels GmbH, Cologne. The new company has Bf 150,000 capital and its directors are MM. Bo. A. Brinkmann, Thure W. Wennergren and Bo. E. Hjelt.

Apart from the two Common Market subsidiaries already listed, there is another manufacturing one in the Netherlands, and the group has numerous subsidiaries outside the Six: in Finland, Denmark, Norway and Britain, Switzerland, Austria and the USA. It is also linked with various companies in metal processing and plant building: Heurtey SA of Paris, and Yorkshire Imperial Metals Ltd, Stowton, Leeds.

** The "Marine" Division of ETS BRISSONNEAU & LOTZ SA, Paris (see No 408) which specialises in cranes and handling equipment has opened a London branch under Mr. Robert A. Ashwarth, which will act as its technical and sales representative in Britain. The company's "Marine" interests are represented in West Germany by Thomas Morgan & Son oHG, Hamburg, in the Netherlands by Industriele Handelmij. Willem Pot NV, Rotterdam (which also represents the "Electrical" division), and in Italy by Sta Cacciatolli, Naples.

The "Automobile" division of Brissonneau recently signed a technical co-operation agreement with SAVIEM-SA des Vehicules Industriels & Equipements Mecaniques, Suresnes, Hauts-de-Seine (a member of the State-controlled Regie Renault group - see No 432) covering research and development as well as the mass-production of civil engineering machinery with electrical transmission ranging from 100 HP to 1,000 HP, and tractors. Furthermore, Brissonneau, which already makes vehicles bodies for Renault, has started talks with General Motors-France SA, Gennevilliers (wholly-owned subsidiary of GENERAL MOTORS CORP, Detroit, Michigan - see No 411) with a view to making body pressings for the latter in its Creil factory.

** A new industrial grouping covering 33% of French wire-drawing, 50% of welded mesh will come about following the reorganisation of the wire-drawing interests of SIDELOR-UNION SIDERURGIQUE LORRAINE SA, Metz, Moselle (see No 403), TREFILERIES & ATELIERS DE COMMERCY SA, Commercy, Meuse and STE DES TREFILERIES DE PERIGUEUX SA, Paris (see No 333). The wire-drawing interests of the first two will be taken over by the latter and this will then become TREFILUNION SA.

Initial turnover for the new grouping is expected to be around F 160 million, and it will have factories at Marnaval, Haute-Marne, Champagnole, Jura, Commercy, Meuse, Perigueux, Dordogne and Pouzin, Ardeche (around 2,000 persons.) The Commercy firm (capital Ff 12.5 million) will hold a 39% interest, whilst the remainder will go to Cie de Pont-a-Mousson SA, Nancy (see No 431), Cie des Forges & Acieries de la Marine, de Firminy & de Saint-Etienne SA, Saint-Chamond, Loire (see No 403) both majority shareholders in Sidelor and Trefileries de Perigueux.

** The Dutch NV DEVENTER ALGEMENE INDUSTRIELE MIJ D.A.I.M., Deventer, has gained outright control of the Den Bosch company NV NEDERLANDSE CAPALUX, in which it took a founding interest of $33\frac{1}{3}\%$ in 1950.

D.A.I.M. (400 on payroll) is linked by a technical and manufacturing agreement with the British METAL CLOSURES LTD group of West Bromwich, Staffs, and its speciality is aluminium, zinc and PVC tubing and aluminium capsules, made under licence from the Copenhagen concern, Bruun's Fabriker A/S; it also assembles plant for the manufacture of these items.

FINANCE

** A newly-formed Geneva company has been added to the widespread European interests of the Panama finance group I.O.S.-INVESTORS OVERSEAS SERVICES LTD (see No 429). The new firm is called IOS ADMINISTRATIVE SA, has Sf 2 million capital and M. Walter Dettwiler, Gex, Ain, as president, and is for administrative and management services.

** The Munich financier Herr Rudolf Münemann has sold his 7% interest in the Frankfurt bank ALLGEMEINE HYPOTHEKEN-BANK AG (see No 391) to BfG-BANK FUER GEMEINWIRTSCHAFT AG, Frankfurt (see No 426). The latter, therefore, increases its majority interest to 67%, and the remainder is held by DEUTSCHE BEAMTENVERSICHERUNG, Wiesbaden (this is an insurance company belonging to the West German Civil Servants Trade Union Federation). Allgemeine Hypothekenbank was formed in 1963 by Herr Rudolf Münemann, and several German refugee organisations, with a capital of DM 8 million. However, in late 1963, BfG acquired a 49% interest, and in 1964 this was raised to 60% (see No 244).

** The recently-formed New York company AMERICAN INTERNATIONAL BANK (capital $5 million), the object of which is to participate in the Euro-dollar market, intends to open several European branches, including one in Frankfurt.

The new establishment is the result of moves by THE FIDELITY BANK, Philadelphia (formerly Fidelity Philadelphia Trust Co), WACHOVIA BANK & TRUST CO, Winston-Salem, North Carolina, and ZILKHA & SONS INC, New York. A first series of agreements had led the first two, in January 1967 (see No 393), to acquire 70% control of the Paris Banque Europeenne de Financement SA (formerly Banque d'Arbitrage & de Credit). In a later move, the third company's Nassau subsidiary will be acquired by American International Bank. The Fidelity Bank has recently backed the formation of the Luxembourg investment company Comina SA (capital $1 million - see No 421).

FOOD & DRINK

** The French milk products and food stuffs concern ETS. LAITIERS PREVAL SA, Paris, has raised its capital to Ff 7.2 million by absorbing CAUNY & CIE SA, St-Hilaire-du-Harcouët, Manche, bringing it increased assets to the value of Ff 22,017,000. These are mainly comprised of the milk and cheese factory at

St-Hilaire-du-Harcouët; premises at Senier-de-Beuvron, Manche, and control of the plant and skimmed milk works at Montilly, Orne, of STE DES LAITERIES DE NORMANDIE SA, Creully, Calvados (capital Ff 6.4 million). As a result of this move, the absorbing company has changed its name to Laiteries Preval & Cauny Reunies SA.

** The Dutch dairy co-operative FRIESCHE CO-OPERATIEVE ZUIVEL EXPORT VERENIGING "FRICO", Leeuwarden (see No 429), has gained a majority interest in the dairy products wholesalers NV KAPTEIN, Amstelveen (turnover Fl 10 million), and it has strengthened its position on the Dutch market. Frico, whose annual turnover is around Fl 300 million (50% in exports) took over a similar firm in 1965: NV Kortenkass Industrie & Handelmij., Oosthuizen. Recently it linked 51-49 with its Trinidad representative to form Farmhouse Industries Ltd, which will reconstitute powder milk sent in bulk from the Netherlands.

** STE D'ETUDES & D'EXPLOITATION DE PROCEDES POUR L'INDUSTRIE ALIMENTAIRE - SEPIAL SA has just been formed at Clichy, Hauts-de-Seine with Ff 1.5 million capital (50% paid up) to study, develop and promote processes for the treatment, preparation and presentation of foodstuffs, mainly along rapid freeze-drying lines. Its board consists of MM Robert Bouchon, Andre Bourdin, Jean-Robert Muzard, Jean Fangheron and Hugues de Revel, who is president of Sucreries Marseillaises de Madagascar SA (of the group SA des Raffineries de Sucre de Saint-Louis, Marseilles).

The three founding companies, with equal interests are: 1) SOCALTRA - Ste Alsacienne d'Etudes & de Travaux SA, Neuilly, Hauts-de-Seine, and Graffenstaden, Bas-Rhin (joint subsidiary of Hispano-Alsacienne SA, Alsthom SA and Chantiers de l'Atlantique Penhoet-Loire SA - see No 431); 2) STE LAITIERE MODERNE - LE BON LAIT SA, Lyons (chief minority shareholders, Docks Lyonnais SA and the holding company Ets Ferrand & Renaud SA, Lyons, itself holding shares in the Regia Panzani group), both directly and through its two subsidiaries, Ste Laitier Lyon - Mediterranee - S.L.M. SA, Toulon, and Ste Martens SA, Villeurbanne, Rhone (minority shareholders include Chambourcy SA, Clamart, and Docks Lyonnais SA); and 3) STE DES SUCRERIES & RAFFINERIES BOUCHON-PAJOT SA, Nassandre, Eure (see No 410). Socaltra recently took over most of the accelerated freeze-drying activities of the London VICKERS LTD group (see No 393), and it will make its industrial experience in this field available to the new company.

** The second largest Common Market brewery company DORTMUNDER UNION BRAUEREI AG, Dortmund (see No 408), has negotiated a merger with the Düsseldorf breweries BRAUEREI DIETERICH HOEFEL KG and DIETERICH HOEFEL GmbH for an annual production capacity of around 400,000 hls, and their network of branches includes twelve in West Germany, as well as one in Antwerp. The leading Common Market brewery is the French firm Ste Europeenne de Brasseries SA, Campigneulles, Meurthe-et-Moselle (see No 422).

The Dortmund company, whose capital will be raised from DM 43 to 49 million, already had an annual production capacity exceeding 3 million hls. Its most recent move in West Germany was the acquisition in April 1967 of two other breweries, MUNCHBRAU GmbH, Feldkirchen, Obb, and BERGISCHE LOWEN-BRAUEREI GmbH & CO KG, Cologne-Müllheim.

PHARMACEUTICALS

** The American group DOW CHEMICAL CO, Midland, Michigan (see No 418), has appointed the West German company SERVA ENTWICKLUNGSLABOR VON GROTHE & CO KG, Heidelberg, as its sales representative for Europe, the Middle East and Africa for its Latex products (for medical, pharmaceutical and laboratory purposes).

The American group already has a wholly-owned West German subsidiary, Dow Chemical GmbH, Frankfurt, through its Zurich holding company, Dow Chemical International AG. With a capital of DM 25 million, the former's factory at Greffern was opened in June 1967. It already has a 30% interest in Alkem Alpha-Chemie & Metallurgie GmbH, Leopoldshafen, Karlsruhe (see No 242), where the remainder is held by Nukem-Nuklear Chemie & Metallurgie GmbH, Wolfgang b. Hanau (see No 432).

PLASTICS

** The French company BASSAN & CIE SA, Paris (factory at Sarcelles St, Brice, Val d'Oise), which makes sectional pipe and rods in delrin, zytel, polypropylene, and polyethylene, has linked with the British concern ANSON PLASTICS LTD, Hayes, Middlesex, to form a subsidiary called ANSON-BASSAN PLASTIC RODS LTD, Hayes. This will make "delbrin" rods, an acetic resin made by the American group E. I. Du Pont de Nemours & Co Inc, Wilmington, Delaware (see No 427).

** The Dutch company CURVER NV, Rijen (see No 337), intends to expand the activities of its West German sales subsidiary CURVER HANDELS GmbH (formed in September 1958) to manufacturing. It has therefore changed its name to CURVER KUNSTSTOFF GmbH, and raised the capital from DM 20,000 to 500,000. The Dutch company, which specialises in processing plastics, is a 40% affiliate of the state mining concern Nederlandse Staatsmijnen NV, Heerlem (see No 420). Some 700 people are employed in its factory at Brunssum, the Netherlands, which began to operate in January 1967; its foreign sales network includes French subsidiaries in France, Curver International SA, Roubaix, Nord, and in Belgium, Curver International Sprl, St-Josse-ten-Noode (see No 248).

PRINTING & PUBLISHING

** The American ALLIED GRAPHIC ARTS INC, New York, through its British subsidiary Allied Graphic Arts Inc Ltd, London, has established itself in West Germany by forming ALLIED GRAPHIC ARTS (DEUTSCHLAND) GmbH in Düsseldorf.

The new company (capital DM 20,000) will cover all printing, publishing and promotional activities, under the management of Mr. Maxwell Tayler, London.

** Through a newly-formed Frankfurt company called READER'S DIGEST ANLAGENVERMITTLUNG GmbH, the American publishing group THE READER'S DIGEST ASSOCIATION INC, Pleasantville, New York, intends to develop the West German sales of investment certificates issued by LOOMIS-SAYLES MUTUAL FUND INC, Boston, Massachusetts (assets of $124 million at the end of 1966). This aim will be backed by the monthly "Das Beste aus Reader's Digest (1.25 million copies printed) published by its Stuttgart subsidiary Verlag Das Beste GmbH (capital DM 3 million).

The American group publishes "Reader's Digest" in fourteen languages. There are thirteen European editions (5.7 million copies sold monthly), and these are the responsibility of: Selection du Reader's Digest Sarl, Paris; Selezione Dal Reader's Digest SpA, Milan; The Reader's Digest Association Ltd, London; Reader's Digest Verlag GmbH, Vienna, etc.

RUBBER

** The American group B. F. GOODRICH CO, Akron, Ohio (see No 432), has made the branch it had in Brussels (offices in Ghent, Antwerp and Herstal) a full subsidiary under the name of B. F. Goodrich SA. The move has been carried out through its Dutch subsidiary, NV Nederlandse B. F. Goodrich Cie, The Hague. The new company has Bf 2 million capital, and will be run by Messrs. Gerard Alexander, Patrick Ross and W. Gerald Wilson.

The group's other Common Market interests are B. F. Goodrich Deutschland GmbH, Frankfurt; Ste Pan-Europeenne d'Etude & de Developpement Sarl, Levallois-Perret, Hauts-de-Seine; NV Chemische Industrie Aku-Goodrich, Arnhem; and NV Nederlandsch-Amerikaansche Auto-Bandenfabriek Vredestein, Enschede.

SERVICES

** The Swiss company AWIDA AG ARBEITSSTELLE FUER WIRTSCHAFTLICHE DATENVERARBEITUNG, Zurich (see No 391), has linked 26-74 with the Brussels concern SURVEY SA to form a Brussels subsidiary, CONSTRUCTION DATA-CODATA SA (capital Bf 2 million). The purpose of the new company is to collate and interpret data for civil engineering projects in Belgium, Luxembourg, the Netherlands, and Northern France (Pas-de-Calais, Nord, Somme and Aisne). The directors are Messrs. Andre J. Fre-Denoth, Hans P. Hunkeler and Pierre de Vigne.

The Zurich founder was formed in 1964 as an electronic interpretation centre for economic data. Since late 1966 it has had a West German subsidiary, BAU-Data Rechenzentrum GmbH, Kassel (capital DM 20,000).

** The computor time sharing firm COMPUTER SCIENCES INTERNATIONAL-C.S.I. SA, Ixelles-Brussels (capital Bf 5 million) has opened a London Branch headed by Mr. Case Timmer. The Belgian firm was formed in March 1967 (see No 406) on a 25/75 basis by the Dutch group N.V. PHILIPS' GLOELAMPENFABRIKEN, Eindhoven (see No 430) - through two wholly-owned subsidiaries Philips Cie Industrielle & Commerciale SA, Brussels and Phlips' Computer Industrie NV, Apeldoorn, Pays-Bas - and the American group COMPUTER SCIENCES CORP., El Secundo, California.

The Brussels firm is the first Common Market venture of the American group, which since early 1967 has also controlled the Canadian subsidiary Computer Sciences Canada Ltd, Vancouver.

** The Swiss IMS AG, Zug (see No 388) has formed a company in Amsterdam under the name of IMS (Nederland) NV, with a 10% interest taken by Johan C. S. Warendorf of Amsterdam. The new firm has Fl 50,000 capital (10,000 paid up), and it will be run by Messrs Lars A. H. Ericson (a Swede living in Milan), Charles Lewis of New York and David Dubov, an American living in London. It will be for marketing consultancy, and the collation and interpretation of statistical data for market research.

The Zug company heads a number of firms specialising in this sort of work: Information Medicales & Statistiques SA, Paris; Informations Medicales & Statistiques SA, Brussels (formed in November 1966 with Bf 1 million capital); IMS Italia SpA and its subsidiary Interdata SpA, both in Milan, and Interdata GmbH, Munich.

VARIOUS

** American investors, represented by Messrs Harney Wachtel, Nahan, Massachusetts (49%), and Urban J. Didier, Boston, Massachusetts (48.5%), have formed OLYMPIC SERVICES SA in Brussels, in association with three Frenchmen and a Canadian, who hold token interests. The new company (capital Bf 200,000) is to maintain and manage archives and files, and has Mr. H.Wachtel as president and Baron Charles de Jamblinne de Meux as controller.

LATE FLASHES

CHEMICALS: The Frankfurt chemicals group FARBWERKE HOECHST AG (see No 432), as from the end of this year, will have a majority, controlling interest in the Frankfurt holding company CHEMIE VERWALTUNG AG (see No 393), where its present stake is only 25% (as from the beginning of 1967). DRESDNER BANK is now in course of making over its own interest of 25% to Hoechst (see No 423), and the only other shareholder of any importance is Farbenfabriken Bayer, with 10%.

Chemie Verwaltung's main interest is a 50% holding in the chemicals and rubber group, Chemische Werke Hüls AG, Marl, the net turnover of which in 1967 is likely to be above DM 1,000 million. In this company, the Frankfurt holding is linked with Bayer (25%) and Bergwerksgesellschaft Hibernia AG, Herne (25% - see No 406), which is a member of the Berlin group Veba AG.

CHEMICALS: The German WILLY KRAUSE, Theesen bei Bielefeld, Westphalia, which already has subsidiaries in Paris, Milan and London is continuing to expand in Europe by forming EIDESCO-BELGIUM Sprl in Brussels. This company has Bf 400,000 capital, shared between Herren Willy and Christoph Krause, and it is to make and sell chemical apparatus for laboratories, printing plates and other materials and sundries for the printing industry.

CHEMICALS: The West German manufacturer of waterproofing products - especially those used by the automobile industry, REINZ-DICHTUNGS GmbH, Neu-Ulm (capital DM 3 million) has linked with the Japanese firm DAINICHI NIPPON DENSEN LTD, Tokyo to form NIPPON-REINZ CO LTD, also in Tokyo, which will manage its Japanese licensing agreements.

Dainichi has over 5,000 persons on its payroll, and was formed by the merger in 1963 of Dainichi Electric Wire & Cable Co Ltd and Nippon Electric Wire & Cable Co Ltd., and forms part of the MITSUBISHI HEAVY INDUSTRIES LTD group of Tokyo (see No 414).

ELECTRONICS: The French TRANCHANT ELECTRONIQUE SA, Clichy,Hauts-de-Seine (see No 429) has obtained rights from the American G. T. SCHJELDAHL CO, Northfield, Minnesota, to manufacture its flexible, in-series printed circuits in France. The American firm has some 1,200 people on its payroll and in 1966 had a turnover of $20 million. It also has a subsidiary in London called G. T. Schjeldahl Co (UK) Ltd (capital £100).

The French firm's two most recent moves abroad were the formation of subsidiaries in West Germany (Tranall Elemente GmbH, Frankfurt) and Britain (Tranchant Electronics (UK) Ltd, London - see No 424).

ENGINEERING & METAL: STIM FRANCE SA (capital Ff 250,000) has been formed in Paris as a joint venture of CIE FRANCAISE DES FERRAILLES - C.F.F., Paris (see No 425 - 50%); its main shareholder (with 46%), the holding company STE METALLURGIQUE DE PARTICIPATIONS & D'ENTREPRISES SA, Paris (13.6%), and the Czech external trade organisation, STROJIMPORT of Prague (see No 406 - 30%).

In December 1966 Strojimport backed the formation in Bologna of Sigma Italiana SpA (capital Lire 10 million), which, like the new French company, is to import and distribute on its home market hydraulic pumps made in Czechoslovakia. In this company, it is linked with another Czech company, Olomuc, Moravia, and with Italian investors.

ENGINEERING & METAL: Under a new agreement, just made between S.I.N.F.A.C. Sarl, Courbevoie, Hauts-de-Seine, a member of the French SOLEX group, best known for its "Velosolex" mopeds (see No 414) and the Italian OFFICINE METALLURGICHE EDOARDO BIANCHIVELO SpA (see No 384), the former will, from January 1968, distribute the Italian company's bicycles ("Bianchi" marque) on the French and German markets.

FINANCE: SERVICE ASSOCIATES Sprl, Schaerbeek, Brussels has taken over S.I.R.E.D. Sprl, the subsidiary formed in January 1963 (capital Bf 100,000) to supply services, the name of which was changed in 1965 to MISTER MINIT SERVICE SA (see No 367).

Mister Minit Services, is a member of the manufacturing and financial group Phillips Ryan International SA, Luxembourg (see No 393), and which is headed by Messrs Donald W. Phillips, Monte Carlo and D. Hillsdon Ryan, Geneva. Another of the group's subsidiaries, Service Associates SA (the second company to have this name) is also based on the premises of Master Minit Services. This subsidiary was formed in 1964 with Bf 500,000 capital as Couture Minit Sprl, and has a similar purpose.

PAPER: The London paper group WIGGINS, TEAPE & CO LTD (see No 374) has formed a West German subsidiary called WIGGINS, TEAPE FEINPAPIER GmbH, Wiesbaden (capital DM 20,000) with Mr. Robert Poole as manager.

The British group (1966 turnover of £89 million) already has considerable Common Market interests including Wiggins Teape (France) Sarl, Courbevoie, Hauts-de-Seine; Wiggins, Teape (Belgium) SA (formerly Papeteries Delcroix SA), Nivelles and Wiggins Teape Italiana SpA, Milan.

RUBBER: The French KLEBER-COLOMBES SA, Colombes, Hauts-de-Seine (see No 390) has made over its footwear interests ("Au Coq" trademark) to ETS HUTCHINSON SA, Paris (see No 327), which will form a subsidiary to distribute these items. Hutchinson is an affiliate of the Paris LA PATERNELLE SA insurance group (see No 430), and in 1966 its turnover was Ff 279 million. In footwear, it is carrying out a major programme of investment at Chatellerault, where its factory will have an annual capacity of 1 million "plastisol" shoes and industrial footwear.

Kleber-Colombes (1966 turnover Ff 616 million) is, by this move, to concentrate its activities more in the rubber tyres field, in which it is linked (both directly and through Ste des Procedes Industriels Modernes SA) 25.6% with Cie Generale des Ets Michelin - MICHELIN & CIE Scs, Clermont-Ferrand (see No 420), and with the groups Cie Generale d'Electricite SA (see No 431), both directly and through Polyplastic SA, and Cie Generale d'Electrometallurgie SA - General Shopping SA, Luxembourg (see No 432) etc.

TEXTILES: The French fashion house PIERRE CARDIN SA, Paris has signed an agreement giving the American firm EAGLE SHIRTMAKERS INC, Quakertown, Pennsylvania the right to manufacture and market in the United States its mens' shirts, shorts and beach wear.

Pierre Cardin has been linked since October 1966 by a technical and sales agreement with the West German REINHOLD HAUBER KG, Neurtingen. The Quakertown firm was formerly Eagle-Freedman-Rodelheim Co, and has had its present name since its acquistion in early 1967 by the Hat Corp. of America, New York (see No 267). The latter specialises in the production of mens' hats, and has given a manufacturing and marketing licence for its "Knox" and "Dobbs" designs in France and West German to R. G. Walker GmbH, Straubing, Munich (capital DM 750,000). In Britain, Pierre Cardin designed mens clothes are made and sold by the mens suits firm Neville Reed.

VARIOUS: A new company, SECURICOM SA, was recently set up in Schaerbeek, Brussels under the guidance of the Swedish business man, Mr Erik Phillip Sorenson, Malmo. Its function is to supply security personnel to public institutions and industrial concerns, to protect them against all damages (theft, fire, etc), to see to the protection of movements of money, and to sell or hire out identification and security systems.

Two subsidiaries of the British group, FACTORY GUARDS LTD, Broadway, Worcester, which specialises in all types of security and protection business, have a token shareholding in the company, as have also Mr. Sorenson, Winchcombe, Gloucester, the commercial director of the English group and the managing director of the new venture, and various Swedish firms in the field. On the British side, STORE DETECTIVES LTD, Broadway, specialises in the guarding of shop property, and a subsidiary of the Swedish group (through Securitas Alarm Ltd, Broadway) A/B Securitas Alarm, Stockholm deals mainly with the installation of complete alarm systems. On the Swedish side, there are three shop premises security companies at Malmo: Bevaknings A/B, Securitas Forenade Svenska Vakt A/B and Stadernas A/B.

Alcan F
Allgemeine Hypothekenbank G
Allianz Versicherungs B
Allied Graphic Arts I
American International Bank G
Anson Plastics I
Atlas Chemical C
Awida J

BfG G
Bassan & Cie I
Becker's Sons E
Bianchi-Velo L
Birdsboro Corp E
le Bon Lait H
Bouchon-Pajot H
Brissonneau & Lotz F

C.F.F.- Francaise des Ferrailles L
Capalux, Nederlandse G
Cardin, Pierre M
Cauny & Cie G
Chemie Verwaltung K
Christ, Martin E
Commercy, Trefileries F
Computer Sciences International K
Cosid D
Curver I

Dainichi Nippon Densen L
Deere, John E
Deventer A.I.M. G
Diwag B
Dortmunder Union Brauerei H
Dow Chemical I
Dresdner Bank K
Dunhill, Alfred C

E.R.A.P. D
Euroclima E

Factory Guards Ltd N
Fidelity Bank G
Frico H

G.E.F.A., refrigeration C
Gomex Werkzeug D
Goodrich Co J
Gosselaaris Industrie D

Hardegsen B
Heraeus, W. C. E
Hoechst K
Hoefel, Dietrich H
Hutchinson Ets M

IMS AG K
I.O.S. Panama G
Inselkammer, Franz B

Kaptein H
Kleber-Colombes M
Krause, Willy L
Krowes, Ludwig B

Loomis-Sayles Mutual Fund J

Metal Closures G
Metallurgique de Participations L
Michelin M
Mister Minit Services L
Mitsubishi L
Modiano D
Molyneux C

Olympic Services K

la Paternelle M
Perigueux, Trefileries F
Philips NV K
Plessey D
Portland-Cementfabrik Hardegsen B
Preval, Ets Laitiers G

Reader's Digest J
Reinz-Dichtungs L
Rheinische Stahlwerk D

Sakret B
Schjeldahl L
Schloemann E
Seppic C

Service Associates	L
Sidelor	F
Sikkens Groep	B
Simmonds Precision Products	E
Sinfac	L
Socaltra	H
Solex	L
Strojimport	L
Suhner & Co	C
Survey SA	J
Svenska Metallverken	F
Tranchant Electronique	L
Von Grothe & Co	I
Wachovia Bank & Trust	G
Wiggins, Teape & Co	M
Zilkha & Sons	G
Zout-Organon	B