Opera Mundi **EUROPE**

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

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Opera Mundi EUROPE

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THE FRENCH ALUMINIUM INDUSTRY

With the object of improving their international position Pechiney and Ugine signed an agreement with Trefimetaux in Paris on November 15 (see No 332 p 1). Their joint object is the growth and rationalization of the French aluminium industry.

There are four main aspects worth considering:

1) It is one of the first results of the work being done by the Committee of Experts which the authorities set up early this year under the direction of M. Clappier, Deputy Governor of the Bank of France. Its terms of reference were to consider how to form groups of international importance in three sensitive sectors of French industry: aluminium, heavy engineering and organic chemicals.

2) It confirms that the government's intention, which it stated in the preamble to the Fifth National Plan, of giving financial help which would enable major French industry to combine.

3) It shows that the French industry is responding to government pressure and putting itself in a position to withstand competition, both inside and outside the Common Market.

4) It draws attention to the aluminium industry's special position, since it is the first to move in the required direction.

In this article it is these last two aspects which will be discussed; the first two, which demonstrate new and forceful methods of state intervention in the private sector of the economy, will be considered later.

The first major concentration in the French non-ferrous metals (including aluminium) industry goes back to 1962. Trefileries & Laminoirs du Havre and La Compagnie Francaise des Metaux merged to form Trefimetaux, the largest producer of semi-products of pure aluminium, aluminium alloy and copper in the Common Market. This group's decision touched off a chain reaction. Early this year Trefimetaux began talks with the American group Kaiser Aluminium and Chemical. Among the terms of their association it was contemplated that in exchange for Trefimetaux taking part in building an aluminium factory at Curacao in the Dutch West Indies Kaiser would give it priority for the supply of about 60,000 tons a year of aluminium - nearly all its requirements. The French company thus showed that it meant to give up its traditional French suppliers Pechiney and Ugine for the American group. The French Finance Ministry refuse to approve this arrangement, at any rate on the scale mentioned. In July, however, the agreement was signed, with Kaiser's deliveries cut down to 25% of Trefimetaux's needs, or 15,000 tons a year.

Obviously a compromise of this kind could only have been reached on condition that the broad lines of another compromise were also agreed, relating to competition between French companies. This was no minor matter: not only was

Trefimetaux, one of the largest aluminium convertors in France and the Common Market, preparing to draw its supplies from USA, but it was also encouraging production by an American firm of aluminium in the Dutch West Indies (a territory formally associated with the Common Market) which would not be subject to the Common External Tariff. Trefimetaux was protecting itself against growing competition from Pechiney and Ugine which, through their subsidiaries Cegedur and Coquillard, are putting up a semi-products factory at Neufbrisach, Haut Rhin, scheduled to produce at least 100,000 tons in 1967 and with an ultimate capacity of 120,000 tons. Trefimetaux had a shareholding in this factory, but could see in it some danger of difficulty later in supplying its own factories with primary metal.

At the end of the negotiations which the government had urged them to undertake, the companies concerned put out a statement in which they did not hide the fact that they had been "encouraged by the authorities" to combine in order that "the various moves should not run counter to their traditional objectives". The parties were brought together in the office of M. Giscard d'Estaing, the Finance Minister. M. Raoul de Vitry, president of Pechiney, and M. G. Desbriere, president of Trefimetaux, were invited to make an agreement. The Minister's arguments must have been persuasive, for Trefimetaux signed a long term agreement with L'Aluminium Francais (Pechiney and Ugine's joint sales agency) giving it the right to supply all Trefimetaux's requirements apart from those supplied by the Curacao factory. At the same time, Cegedur and Coquillard agreed with Trefimetaux that competition in semi-products should give way to arrangements for specialization, possibly to the point of having a joint subsidiary.

These events may constitute a precedent. The French government's "encouragement" has been given first to this particular industry because of the position of aluminium production and sales in the Common Market and throughout the world. Aluminium has the highest rate of growth of all non-ferrous metals, both for production and consumption; for many years the increase has been between 9 and 12% per annum. The extent of these applications in the packaging, transport, building and electrical equipment industries is so large that in the main countries concerned the primary aluminium producers are working at practically 100% of their capacity, and consumption keeps up with production. The only place with any stock is USA, and there it is a strategic reserve ($1\frac{1}{2}$ million tons or about two thirds of annual American production); the need for this reserve is obvious, taking into account that since last summer the setting up of the American bases in South Vietnam has called for 300,000 tons of aluminium, equivalent to nearly a year's production in France, which is Europe's largest producer.

In 1964 USA produced $2\frac{1}{4}$ million tons, 8% more than in 1963; this year that figure will be considerably exceeded. Its home market takes most of the production; in 1965 transport will have taken 800,000 tons and packaging (particularly canning) 370,000 tons. Barely 10% of American production is exported, most of it by Kaiser Aluminium. Canada is the second largest producer and unlike USA it exports 85% of its production. That amounted to 760,000 tons in 1964; the industry is dominated by Alcan-Aluminium Ltd of Canada.

France leads in aluminium production in Europe with 315,000 tons (+ 52,500 tons from the Cameroons); 135,000 tons were exported. West Germany comes next with 219,000 tons, 70% of it produced by Vereinigte Aluminiumwerke. Italy produces 115,000 tons; outside the Common Market Norway produces 263,000 tons and Switzerland 64,000 tons. Britain only produces 32,500 and is the largest importing country in Europe. In the rest of the world Japan is the largest producer with 277,000 tons.

The important thing is that all these figures are records for the countries concerned, and the records will be beaten this year. For the industry in general both production and consumption continue to rise everywhere at the same time, both in Europe and in USA. In spite of that giant concern Alcoa and two other very large firms, Reynolds Metal and Kaiser Aluminium, there is room for other firms - American or foreign - to join the industry in USA because raw materials and power are abundant, the techniques available and the market still hungry. This explains why Anaconda Co has formed a specialized subsidiary, whose capacity will exceed 100,000 tons in two years time. It also explains why Pechiney has taken 25% in Intalco Aluminium Corp, jointly with American Metal Climax and Howe Sound (40% controlled by Pechiney) which is building a factory at Bellingham, Washington; it will come into production next year and its capacity will be 152,000 tons of ingots. Alusuisse, Zurich has formed an American subsidiary, Consolidated Aluminium Co, to build a factory with a capacity of between 60,000 and 100,000 tons a year. The Canadian giant Alcan has spent $68 million buying plant in USA for the manufacture of sem-products.

In Europe, and especially in the Common Market, competition is even keener. The main reason is that consumption is expected to go on rising even faster than production in the next few years, which means that those who get into production first can expect the best chance of capturing and keeping the market. Consumption of aluminium per head of the population is less than half as great in the Common Market as it is in USA (in Germany it is higher than in France, but lower than in Britain). It is estimated that in 1970 European consumption will be $2\frac{1}{4}$ million tons, but its production capacity only $1\frac{1}{2}$ million tons. The shortage is likely to continue for a long time, because in spite of recent discoveries of natural gas power is still limited and there is a growing demand for electricity from many quarters. In order to fill the gap North American and European producers are setting up converting units, especially in the Common Market, to process imported metal; all these units are on an international scale, with production capacities between 50,000 and 100,000 tons a year.

The Americans, as usual, are coming into Europe in a big way. Reynolds Metal has subsidiaries in Germany and Belgium and shareholdings in Italy, Spain and Greece; Kaiser Aluminium is the most active American firm abroad, with three subsidiaries in Germany and shareholdings in Italy, Switzerland and Belgium; Alcoa is represented in Britain, Norway and the Lebanon and has one foot in the Common Market already through its plant at Surinam in Dutch Guiana. The big Canadian firm

Alcan is represented in nearly all countries in Europe and in most cases has been there for a long time, as might be expected of a mainly exporting concern.

All these European companies are supplied direct by their parent companies with most of their aluminium ore and they make a wide variety of semi-products such as sheets, sections, cables, etc. the uses of which are very varied. Two factories, which will be among the largest in Europe are now being built in the Common Market. One is at Norf on the German side of the Rhine; Alcan and Vereinigte Aluminium-werke are combining 50-50 to build it, and by the end of 1967 its capacity will be between 150,000 and 200,000 tons. The other, already mentioned, is at Neufbrisach, on the French bank of the Rhine; it belongs to Rhenalu, member of the Pechiney group, and in 1967 its capacity will be from 100,000 to 120,000 tons. In total, therefore, nearly 300,000 more tons of rolled aluminium will be available in the Common Market two years from now, produced mainly in France and Germany. Production capacity for aluminium sheets will thus be almost doubled. The new position outlined above has obviously affected the agreement which the two largest French aluminium producers have just made. It is, however, surprising that Pechiney (which is so dynamic further afield with interests in Greece, Spain, Australia, USA, Guinea, Cameroon and Latin America) should not have decided on any large step inside the Common Market, and in particular that it should not have tried to ally itself with its great German competitor Vereinigte Aluminiumwerke, but left that company to reach agreement with the Canadians in setting up the factory at Norf.

Power problems are of the greatest consequence to the aluminium industry. In order to convert bauxite into aluminium the only process known at present is electrolysis, which calls for large amounts of electrical power. Pechiney alone consumes about 10% of all electricity produced in France. It is because Germany lacks both bauxite and hydro-electric power that she has developed the largest production in Europe of secondary aluminium, which requires no more power than the metallurgical industry in general. Scrap from all end uses is recovered, to be processed for foundry use; in 1964 Germany produced 185,000 tons of secondary aluminium, 16% more than in 1963.

Experience shows that aluminium castings are as good as rolled aluminium for a good many purposes: automobile builders, for instance have no qualms about using secondary aluminium in the manufacture of gear-boxes, pistons, etc. Secondary aluminium is therefore likely to be used more and more in the next few years and recovery will probably be stepped up, at any rate until the production of electricity from natural gas (which already supplies 25% of Pechiney's needs) is further developed, or until atomic electricity comes on the scene. France in particular is likely to follow the example of Germany, which is pioneering aluminium recovery. In the next 10 years new manufacturing processes will probably cause further upheavals in this constantly expanding industry. For some time Anaconda has had the laboratories in its factory in Georgia looking into the possibility of manufacturing aluminium from clay. Meanwhile both Alcan and Pechiney are working on different processes with the object of going direct from bauxite to aluminium, and jumping the alumina stage.

The aluminium industry is profitable and in 1964 the return on capital invested was between 8 and 9% in USA and about 6% in France (average margins for the converting industry were 12.7% and between 6 and 7% respectively). The American aluminium industry recently wished to improve its profits by raising the price of the metal by half a cent per pound, but the government prevented it from doing so, using the threat that it would throw part of the strategic reserve on the market. Since the end of the Korean war the price had remained 23 cents until 1964, when it rose to 24.5 cents.

At the request of France the Common Market tariff on imported aluminium has been fixed at 9%, which the Americans and Canadians have tried in vain to reduce during the initial negotiations for the Kennedy Round tariff cuts in GATT (in USA the average customs duty is 5.5%; some small reduction may still be made). Canada is concerned much more than USA, because it exports more than three-quarters of its production, while USA only send about one tenth abroad. A more far-reaching possibility is that Norway might enter the Common Market; she is the second largest producer in Europe and if she were to join, that area's need for imported aluminium would be substantially smaller.

In any case, the Common Market's External Tariff will have little economic significance so far as international competition is concerned. Even if it is maintained at 9%, it can only be a bit of a nuisance for American producers who wish to capture the market: a small addition to the cost of their primary metal imports is unlikely to deter them, because it will only apply to a small proportion of their total production, and will hardly affect their results. In the aluminium industry, as in most industrial production, the important thing is for the Common Market's producers to regroup and rationalize if they want to keep a footing against international competition. The transaction between the Trefimetaux, Pechiney and Ugine groups foreshadows this. The question which must come up is how far such transactions are compatible with the policy of healthy competition. In the present case, there is little room for doubt that the regrouping is economically justified, but it does mean that a dominating position has been set up in France in one industry, namely aluminium-converting, in which there are few firms. The group must, therefore, control the greater part of the French market, and the principle of competition is affected. The position would, of course, be quite different if the Common Market were already fully achieved, when the French group would be subject to competition from the rest of the Six. The point is well worth further consideration.

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Correction: It is regretted that on page 3 of No. 333 Montagu Samuel was mentioned, when the firm named was, in fact, M. Samuel & Co Ltd.

THE WEEK IN THE COMMUNITY
December 6 - 12, 1965
From our Correspondents in Brussels and Luxembourg

THE COMMON MARKET

Toughening Up

Surprise, surprise in Community circles; first at General de Gaulle's relegation to a second ballot, and perhaps even more at the evidence which indicated that a large proportion of the votes cast against him were motivated by the desire for further progress towards European integration.

Neither officially or otherwise does anybody comment on the voting, still less throw his hat in the air, which would be neither tactful not tactical since the General seems certain to win on the 19th. Still, it does not look like a push-over, and may partly depend on more abstentions, especially by the supporters of M. Lecanuet, the keenest advocate of orthodox Europeanism. The trends shown by the first vote are unlikely to be reversed, so they are worth further consideration.

The question is, whether the weakening of General de Gaulle's position is going to help the Community. This seems improbable in the near future, although there is some hope that in the course of his campaigning he may make some concessions to pro-European opinion, even if they are not definite enough to commit him after December 19.

Meanwhile, another fortnight is lost, so far as attempts to get France back into her empty chair are concerned. On December 8 Sig. Colombo, the President of the Council of Ministers at present, met M. Couve de Murville, the French Foreign Minister, in Rome (see No 334 pp 2-5). The meeting was worth while, if only because it was the first real exchange of views between the French Minister and the Five's envoy. Little was decided, but it was agreed that a meeting of the Six is desirable and should be held at Foreign Minister level. Time, place and procedure were left vague, pending the outcome of the French presidential election.

The loss of a fortnight is awkward for the Communities' year-end deadlines, but M. Couve de Murville did let Sig. Colombo know that France will probably endorse the Five's budget proposals, using the written procedure. On the other hand no French delegate is attending the study group responsible for sorting out the Common External Tariff problems by December 31 (see No 334 p 7).

M. Chatenet, the president of Euratom and formerly one of de Gaulle's ministers, has raised another bogey: from January 9, when their present mandate expires, he says that the European commissioners will only be able to handle day-to-day business. The Communities' lawyers deny this, but if those concerned believe it, what can be done? If the arrival of these due dates is not to have harmful results, de Gaulle will have to direct his government to give top priority to the problems of Europe immediately he is re-elected. Even so, it would not be easy for them, and a doubt remains whether the General would wish it to be.

In Brussels, the optimists who think that pro-European views in France will influence him are in the minority; most people think his position will harden. First of all, they believe that he is not the man to be moved by what he may regard as the errors of the electorate, misled by the machinations of an unscrupulous opposition. Then again, the vote on December 5 makes it appear that when the 1967 parliamentary elections are held, the Gaullists may be reduced to a minority, even if the electoral law is amended. Bearing in mind his age, the General may only have 18 or 20 months left in which to carry out his plans. So the French Government is unlikely to rush to the rescue of the Community to save it from impending paralysis on December 20; in fact, the Gaullists may find it tempting to exploit the situation.

The French attitude, however, is only one factor in the Common Market, and there is less need to speculate on the thinking of her Five partners; in the next few months they are almost sure to get tougher, in the expectation that Gaullism will fade away with the Old Soldier himself, perhaps as early as the 1967 elections.

M. Spaak, the Belgian Foreign Minister, certainly believs that the Five will get tougher; he said so publicly at a luncheon given by the Association of European Journalists on December 11. He has no intention though, of ceasing to be ready to mediate, and he explains this as follows : responsibility for the breakdown on June 30 was divided; it was and still is essential to find a quick means of avoiding paralysis in the Communities; the idea of carrying on"without France" would be premature, "a desperate remedy", which "would diminish the prestige, influence and strength of a Community, which there was already a tendency to deride ...."

So he will carry on as the peace-maker; he will do his best "to avoid a desperate remedy without prejudicing the Treaties". But he is not seeking peace at any price and some of his remarks even imply hardening already:-

1. He paid a warmer tribute than most to the Common Market Commission. He only criticized it for tactical errors (during last June's crisis) "which weigh very lightly compared with the good, even excellent work it has done for the Community". He said it had played " an essential part", consisting as it did of "first-rate men", to whom "great recognition" was due. Their achievements had shown "what an excellent system the authors of the Rome Treaty had devised". The Community's development could only be ensured "by a dialogue between a supre-national Commission and the governments" and "what is economically true to-day must be politically true to-morrow". Evidently no solution would suit M. Spaak if it called the present system into question. "The Rome Treaty", he said, made majority voting at the Council of Ministers "the rule, not the exception". And again, "the system which enters into force on January 1 is nothing new; it only intensifies what has gone before."

2. The Community could not survive present conditions for more than "three, four or five months", and "what the French are doing is illegal. Their attitude complies neither with the letter nor the spirit of the Rome Treaty. But are meetings of the Five legal? The Treaty does not provide for the absence of a member and we have not yet

faced this problem. Sooner or later, however, we shall have to give up subterfuges and equivocation." In other words, if France's chair remained empty, the Five would have to tackle the problem. Some decisions had become urgent, so it was not impossible that a precedent would be set very soon, especially about the budgets. There the Treaty provided for majority voting and it was against all constitutional principles that a member in a minority should be able to get round the rules by disappearing at voting time. Formal approval of the 1966 budgets raised no legal problem, but politically it was another matter and Paris would probably be inclined to give written consent. But that would not postpone the question whether Council meetings with five members were legal, and M. Spaak thought that this question would soon have to be answered.

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There is not much room for manoeuvre and the Five show increasing determination to remain loyal to the Treaty. So can there be any agreement, even on the basis which General de Gaulle might stomach of "understandings" on majority voting and a different attitude on the Commission's part? It seems unlikely, unless some other way round the difficulties can be found. Right at the beginning of the crisis, there was talk in Paris to the effect that sacking the most "dedicated" members of the Commission would be regarded as a conciliatory move. The Five have never considered such a sacrifice decent and as a matter of fact the Commissioners' position does not seem to have suffered in the last six months, as M. Spaak's eulogies bear witness. That way out should be blocked, but it may not be.

There is one new factor: last week M. Spaak asked the Belgian Parliament to ratify urgently the Six's agreement on the merger of the Executives (see No. 295 P.5). The appropriate Committee has already approved the text, and the three Benelux countries had already agreed to harmonize their ratification procedures; the agreement has been approved by the French and German Parliaments and may be quite quickly by the Italian. By the end of December or early January, therefore, the ratifying instruments may be in order, and the agreement could then take immediate effect, as intended when it was signed.

M. Spaak's parliamentary activity may be explained by his anxiety to "set an example", and to do nothing to hinder the normal and expected development of the Community. But it may also be explained by the fact that, when questioned about M. Chatenet's remarks, reported above, he replied that they were untenable "unless the Executives had merged by then".

The agreement to merge them could take effect as soon as the last ratification was made; that is, when the Six had formally agreed to holding a meeting. The meeting's official purpose could be to nominate members of the single Commission for the three Communities. This would settle the question, whether or not the Six should meet again in the Council of Ministers, because nominations are the responsibility of the inter-governmental meeting of member states, which should be able to find a better solution of the personal problems which the crisis has caused (for instance, nobody would be able to take exception if, after having a German president of the Common Market Commission for eight years, it were decided to appoint an Italian president of the single Commission; especially if he had the European and political standing of Sig. Del Bo, who now presides over the High Authority of ECSC, or even of Sig. Colombo).

If France were thus given satisfaction, both about the method of renewing contact and about personalities, surely she in return would be willing to resume her place in the Community's institutions (where an agricultural policy tailored to please her awaits) and to comply with the Rome Treaty otherwise, subject to some "understanding" on majority voting. This could be the answer.

Reflecting on the ballot of December 5, therefore, Community circles have come to the conclusion that its future will depend in the long run on an ascertained fact: that the European ideal has sunk into men's minds far deeper than was supposed. There may still be stormy days ahead, but nothing now seems likely to hold up for long the Six's progress towards European unity.

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Negotiations with Austria

As an EFTA member, Austria has experience of a free trade area, but she is providing an interesting case history of a country trying to belong to an integrated economic community as well.

Her representatives had the fifth round of talks in Brussels last week (see No. 326 P.11). Her contemplated association will not be limited to a customs union, so her economic policy will have to be adjusted in order to avoid any distortion of the market or diversion of trade.

The first obstacle is Austria's compulsory and permanent neutrality. The international agreement which imposes it has obliged the Austrian government to state its reservations on the whole principle of harmonization and that it must be able to suspend all harmonization measures in case of political necessity. The discussions have, however, shown that agreement could be reached on the understanding that suspension would only apply in the event of war or of the threat of war (it remains to be seen whether in the latter case Austria herself would be the sole judge). The Austrians think that the statute of neutrality would require harmonization to be modified in some respects, such as the right of establishment for nationals of the Common Market countries. A way out of this difficulty can probably be found if Austria's demands remain within reasonable limits.

This apart, Austria recognizes that harmonization is economically essential. Where the Six have already adopted common policies, there is very little difficulty; there is a firm basis for negotiations. Where they have not, it is another story. Austria wants to know what risks are involved, for it seems highly unlikely that once the Six decided on their own common policy they would be prepared to re-negotiate it with Austria.

The Austrians would therefore like the general objectives of the common policies which have not yet formulated to be decided now, by the Six (just as the Treaty of Rome fixed the principle objectives of the common agricultural policy). The Six, for their part, are not keen to commit themselves in this way, fearing they may thus mortgage the future.

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Belgian Industry and the CET

The Belgian Federation of Industries has come out in favour of ending the 20% suspension of most Common External Tariff duties (see No. 334 P.8). The Federation considers that the second alignment of national tariffs on those of the CET should be completed, and that the acrobatics of the Five to avoid this step, while adhering to the terms of the Rome Treaty, are a waste of time. The Federation says "The unilateral and gratuitous action of the Six in 1963 has so far brought no reciprocal concession to the Community from any of the other GATT member countries. The minimum rise in rates of duty resulting from the second step towards the full CET level cannot cause difficulties as great as those which would arise if the member-states hesitated to apply what the Six themselves had agreed on."

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ECSC

Poor Outlook for Coal

Coal production and imports during 1965 were lower than the previous year, but pit-head stocks increased considerably and this trend is officially expected to continue in 1966.

The first quarter should show a surplus of 2,300,000 tons of coal for the Community as a whole; in Germany it may even reach 2,700,000 tons. The only increase in coal consumption will be for electrical power-stations and the manufacture of coal briquettes (mainly for domestic use). Otherwise, consumption will fall, especially by railways, the gas industry where coal has been almost completely superseded by other forms of power, and in industry generally.

Coal output in the Common Market is estimated as follows:

	First Quarter thousands of tons 1966	1965	Difference
Germany	34,200	35,925	-4.8%
Belgium	5,075	5,218	-2.7%
France	13,400	13,659	-1.9%
Italy	140	102	+37.3%
Netherlands	2,915	2,935	-0.1%
Community	55,730	57,839	-3.6%

Despite lower output, the first quarter of 1966 shows a surplus of 2,300,000 tons, the nett result of 2,700,000 tons in West Germany and 300,000 tons in Belgium, less a deficit of 500,000 tons in France and 200,000 tons in the Netherlands. By the end of the first quarter the Community's pit-head stocks should therefore reach 28,300, 000 tons compared with 21,900,000 at the end of March 1965.

This further deterioration in the coal industry is most marked in West Germany, the largest Common Market producer. In agreement with the German Government, the Federation of the coal industries of the Ruhr and Aachen has decided to abandon their 1966 target of 140 million tons and reduce it to 125 million. When announcing this 15 million tons cut, the German producers made it clear that even this lower target could not be maintained unless the rapid progress of otherforms of power could be restrained and strong measures taken.

M. Petre, a member of the Belgian Parliament and also of the European Parliament, has sent a written question to the High Authority pointing out that the Common Market Commission has just raised the reference price of citrus-fruits in order to protect Common Market producers of these products, due to proper concern about unemployment in a sensitive part of the Common Market (Southern Italy). This country, continued M. Petre, has always been an importer of coal. However, although the difficulties of finding outlets for the Community's coal production are no secret, Italy, which imported 11 million tons of coal in 1964 bought only 550,000 tons from Common Market sources this year, most of the rest being imported from the United States.

M. Petre wishes to know what means the High Authority had to apply the same principles in order to provide outlets for Common Market coal in this same member country (Italy), especially as many Italians were employed getting the Community's coal.

Apart from exhortations to Community solidarity, the Treaty hardly permits any intervention from the High Authority to favour Community coal against imported coal. Trade policy is up to the national governments and nothing can be done without their approval. This has been the main reason, up to now, why no agreement has been reached for a common energy policy, or even for a joint policy on coal imports among the Six.

The way things are going at present, it looks as if the differences between the national import policies will become deeper. The steel producers keep asking for cheaper coking coal; these demands no longer come just from the coal consuming countries, but also from producing countries who find themselves obliged to use Community coal, which is dearer, while their competitors in the coal importing countries (mainly Italy and the Netherlands) use coke obtained from imported coal at a lower price. This distorts competition between the steel producers of the six member countries.

M. Petre's question to the European Parliament seems to indicate one possible solution, but it cannot be adopted by the High Authority acting alone. In order to satisfy all the interests concerned a number of products (at any rate a number of energy products) would have to be covered, and this could only be achieved by close co-operation between the three Executives. However, the efforts of the Energy Inter-Executive Committee during the past few years have shown that agreement can not be reached between three Executives, working under three different Treaties. It is therefore clear that the merger of these Executives must be completed before any proposals on the line suggested can be considered.

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The Community and World Capital Equipment

In 1960 the total world trade in capital equipment amounted to $17,810 million, and the Six obtained 22% of it. In 1970 the total may well rise to $33,400 million, of which the Community's share should be about 24%. These are the conclusions reached in a study undertaken by the High Authority to prepare for its new steel "objectives", which are expected to be published early in the new year.

The study covers world trade in mechanical engineering, metal containers, tractors, agricultural machinery and equipment, electrical and non-electrical equipment, railway locomotives and rolling stock and road transport. One thing which stands out is that, taking the world market as a whole, three countries provide nearly 60% of exports - USA, West Germany, and Britain. No other single exporting country accounts for more than 5% of world trade in capital equipment. Another striking fact is that 80% of these exports come from the Common Market, EFTA and USA; the population of these areas is less than 15% of the world total.

During the last ten years, this market has shown the following changes;

(a) The Common Market's share has greatly increased, partly due to reducing tariff barriers and other obstacles to freer trade among its members. At the same time, the Community's manufacturers have succeeded in increasing their exports of capital goods to the EFTA countries as well as the countries of Eastern Europe, North America and Oceania. In contrast, exports to Algeria and the Belgian Congo have gone down since they became independent;

(b) The USA's share has fallen considerably;

(c) The EFTA countries' share is falling slowly, mainly due to lower British exports;

(d) Japan's exports have risen considerably although in absolute value they remain fairly small.

* * *

High Authority to Visit the Ruhr

At the invitation of Herr Franz Etzel, former Vice-President of the High Authority and former Finance Minister of West Germany, the High Authority will visit the Ruhr Valley on January 25 and 26. It will have talks with the government of the land of Nordrhein-Westfalen and with representatives of the West German steel industry.

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(There is no page 14 in this issue)

SHIP-BUILDING IN THE COMMON MARKET & BRITAIN II

Ship-Building Demand

The total demand for new ships in any country consists of the net demand (equivalent to the growth of the fleet) plus the replacement demand, which includes ships lost at sea, worn out or sold second-hand to other countries.

Table F shows that in 1963 the Common Market's merchant fleet consisted of nearly 15 million tons gross of dry cargo ships and 6.7 million tons gross of oil tankers (18% and 14% respectively of the world total). Up to 1958, demand by the Common Market countries for dry cargo ships was high, because of the need to build up merchant fleets which had been greatly depleted during the war (particularly the West German). Since 1958 demand slackened and the expansion rate has been below that for the rest of the world. British shipping is in a rather different situation, for the size of her merchant fleet has changed very little indeed during the whole of the period under review.

There has been a much more rapid general expansion for oil tankers, especially in the case of Britain; for the Common Market as a whole, the tanker growth rate from 1950 to 1962 was 12.6% per annum, compared with 5.25% for dry cargo ships. The figures for world shipping were only 3.95% for dry cargo ships and 9.35% for oil tankers.

Replacement Demand

Ships now become obsolete more rapidly, due to the technical progress which keener competition and greater difficulty in earning profits require: this has caused the average age of ships in general to be rather less than it was. The West German and Belgian fleets are "younger" than those of the rest of the Six. This decreasing average age is even more evident in the case of oil tankers: in the Netherlands 51% of the tonnage is less than five years old, compared with 34% in France. (The world average here is 36%). In Britain, however, replacement demand remains active, which is important because of the stability of the British dry cargo fleet.

TABLE F
SIZE OF MERCHANT FLEETS
(Ocean-going ships of 1,000 tons or more)

a) Dry Cargo Ships

Year	West Germany	France	Italy	Netherlands	Belgium	Britain	USA	World Total
1939	4,225	2,615	3,000	2,430	345	14,970	6,110	54,055
1950	450	2,635	2,060	2,555	415	14,415	5,260	49,325
1951	930	2,715	2,305	2,615	425	14,465	9,455	54,855
1952	1,270	2,850	2,570	2,630	420	14,090	8,130	54,705
1953	1,585	2,930	2,620	2,700	415	13,925	7,095	54,880
1954	2,000	2,875	2,655	2,750	425	14,060	6,170	55,345
1955	2,365	2,770	2,700	2,800	400	14,095	5,530	56,605
1956	2,860	2,685	2,895	2,925	375	14,195	5,530	59,650
1957	3,210	2,705	3,210	3,220	470	14,270	6,555	64,255
1958	3,655	2,775	3,400	3,415	490	14,355	5,200	67,300
1959	3,990	2,860	3,515	3,495	560	14,365	4,700	69,890
1960	3,975	2,950	3,395	3,530	570	14,080	4,565	71,735
1961	4,115	3,040	3,375	3,580	540	14,170	4,980	76,470
1962	4,210	2,995	3,490	3,620	545	14,195	4,660	79,740
1963	4,275	3,090	3,685	3,580	515	13,775	5,125	84,215

b) Oil Tankers

Year	West Germany	France	Italy	Netherlands	Belgium	Britain	USA	World Total
1939	255	320	425	540	65	2,920	2,800	11,435
1950	10	575	520	555	65	3,800	4,405	16,740
1951	95	655	610	620	70	4,085	4,380	18,190
1952	125	790	720	630	70	4,535	4,370	19,950
1953	160	895	835	670	70	4,655	4,425	21,925
1954	230	965	1,145	690	70	4,955	4,555	24,585
1955	290	1,150	1,210	895	95	5,260	4,030	26,160
1956	345	1,260	1,300	1,085	105	5,350	3,895	27,895
1957	395	1,305	1,340	1,115	110	5,585	4,020	29,715
1958	420	1,565	1,500	1,185	110	5,930	3,590	32,960
1959	545	1,680	1,605	1,245	170	6,390	3,636	37,080
1960	560	1,860	1,725	1,355	160	7,050	3,870	40,610
1961	660	2,080	1,945	1,325	170	7,295	3,860	42,940
1962	715	2,165	1,920	1,545	200	7,460	4,010	44,465
1963	775	2,130	1,920	1,645	200	7,790	3,945	46,310

Export Trade

The Common Market's sales of ocean-going merchant ships are relatively small to member countries and are almost all to the world market at large, in which the Community is the second largest supplier, behind Japan but ahead of Sweden and Britain. External demand is therefore the essential foundation of the shipbuilding industry among the Six. Foreign orders account for 40% of dry cargo ship launchings and from 50% to 75% of oil tanker launchings, depending upon the year. To the sale of new ships must be added that of second-hand ships, but the tonnage here is fairly small.

In contrast, the Community's imports are very small. Each of the member countries has has a fairly large favourable balance. Britain's position is different: since 1959 she has become a nett importer because more and more British shipowners have turned from Britain to foreign yards for their requirements. During the period 1950-1963, France bought more than half the tonnage imported by the Community, her purchases consisting mainly of oil tankers bought from the EFTA countries and, since 1957, from Japan.

TABLE G
EXPORTS OF OCEAN-GOING SHIPS
(In thousands of tons gross)

a) Dry Cargo Ships

Year	West Germany	France	Italy	Belgium	Netherlands	Britain	Japan	Sweden
1950	-	-	9.3	10.5	38.6	194.0	45.3	50.1
1951	17.2	4.7	9.3	23.5	49.5	198.5	11.2	29.6
1952	99.5	-	17.0	32.7	55.9	124.6	-	22.9
1953	68.9	8.7	18.0	13.8	81.5	129.3	0.1	56.0
1954	129.5	13.2	-	18.4	71.3	191.9	89.0	90.3
1955	228.7	38.6	0.6	21.2	49.5	244.9	203.1	120.1
1956	542.5	81.5	31.7	37.2	68.2	249.3	585.3	154.2
1957	481.6	49.2	53.8	9.0	88.6	200.3	310.0	158.0
1958	387.2	54.8	58.7	12.6	116.2	156.8	313.8	168.8
1959	519.3	35.1	29.1	36.0	53.3	66.0	370.3	104.3
1960	429.4	77.0	16.4	29.0	114.5	61.3	495.5	105.2
1961	340.1	120.4	12.5	36.0	174.9	207.0	532.8	168.0
1962	329.5	202.4	9.9	29.0	128.9	134.1	620.5	236.9
1963	284.4	133.6	54.1	15.5	105.6	147.3	574.3	220.7

Table G continue on page 18...

TABLE G (continued)
EXPORTS OF OCEAN-GOING SHIPS
(In thousands of tons gross)

b) Oil Tankers

Year	West Germany	France	Italy	Belgium	Nether-lands	Britain	Japan	Sweden
1950	9.9	-	-	33.9	72.2	246.7	38.6	209.0
1951	23.1	-	-	45.3	32.6	492.8	4.9	240.6
1952	145.8	-	12.3	24.0	76.0	290.3	205.8	242.6
1953	262.3	84.4	-	34.8	78.1	235.3	202.7	186.1
1954	336.7	13.3	-	53.6	71.5	289.9	53.4	241.7
1955	157.3	48.3	21.7	38.1	37.4	294.5	380.0	242.6
1956	6.4	52.2	24.0	13.0	57.2	185.3	656.6	169.1
1957	216.7	123.3	103.8	75.6	50.9	61.1	1202.7	278.7
1958	347.3	57.4	166.7	70.0	192.0	181.0	942.8	300.6
1959	240.5	13.6	185.1	72.6	186.0	49.5	627.3	444.9
1960	273.1	129.7	44.4	26.5	108.5	84.6	428.3	351.2
1961	155.3	49.3	-	30.1	98.6	73.7	215.0	311.4
1962	278.0	102.9	17.0	29.7	102.2	30.8	256.3	359.7
1963	358.5	148.1	93.9	-	35.0	136.3	922.5	477.6

Imbalance Between Supply and Demand

The demand for ocean-going shipping depends entirely on the state of world trade. From 1950 to 1962, world trade in "dry cargoes" grew at an average rate of 5.15% per annum, while that for oil tankers grew at 8.6%. In the same period, the comparable figures for the growth of world shipping were 3.95% for cargo ships and 9.35% for oil tankers. This appears to be very favourable to supply, but the truth is the reverse, because the increase in carrying capacity of the world's shipping has been greater than the growth of its tonnage, due to technical improvements in ship design such as higher speeds, larger capacity of individual ships, and better systems of handling or pumping cargoes. To sum up, world shipping has grown at a faster rate than that necessary to take care of the increase in international sea-borne trade and to replace obsolete ships.

This imbalance goes back to the Suez crisis of 1956 which caused disproportionately large orders for new ships. In fact the tonnage on order and under construction in 1957 was 50% greater for cargo ships and 135% more for oil tankers than in 1956. The result was that after the Canal was re-opened there was a surplus of shipping available which made matters worse, especially as the supply is inelastic. Some countries, France in particular, avoided the labour difficulties which the closure of many ship-yards would have caused by subsidizing ship-building; this kept the yards going, but prolonged and accentuated world imbalance. It is true that such a policy is helpful to some Western countries, especially Britain, which are anxious to modernize their merchant fleets, but not to those younger countries which are building up their merchant fleets, mainly by buying in the second-hand market. This in turn keeps worn-out vessels in service and prevents the world imbalance being righted. As well as lowering freight rates, the slump has caused considerable tonnage to be laid up. In 1963 there were nearly 3 million tons gross of shipping laid up, although the gross tonnage scrapped rose from 530,000 tons in 1956 to 3,040,000 in 1962.

TABLE H
SHIPPING LAID-UP (JUNE 1963)

Country	Dry Cargo Ships			Oil Tankers			Total		
	No.	Gr.Tons	%	No.	Gr.Tons	%	No.	Gr.Tons	%
West Germany	5	15,850	-	-	-	-	5	15,850	-
Belgium	-	-	-	1	10,426	6	1	10,426	2
France	22	146,660	5	-	-	-	22	146,660	3
Italy	39	244,999	8	11	99,796	5	50	344,795	7
Netherlands	3	16,262	1	1	8,930	1	4	25,192	1
Britain	57	351,474	3	16	150,609	2	73	502,083	2
USA	10	71,786	1	13	134,495	3	23	206,281	2
Japan	4	19,487	-	1	9,747	-	5	29,234	-
Argentina	6	49,737	8	-	-	-	6	49,737	4
Greece	78	526,012	10	5	36,963	2	83	562,975	8
Liberia	35	260,038	7	16	158,570	2	51	418,608	4
Venezuela	2	11,004	15	-	-	-	2	11,004	4
World Total	363	2,134,323	3	82	768,066	2	445	2,901,389	2

Conclusion

Perhaps the only reasonable answer to the excess of supply over demand is to consign to the breakers' yards all those ships which have reached a certain useful age limit or which are technically unsuited to present-day conditions. If all the countries with sea-going fleets applied this policy it would put the brake on the commissioning of new fleets, increase freight charges and raise the value of those ships kept in service. Putting such a policy into practice would, however, be quite difficult, because it would require all the governments concerned to adopt a fully agreed programme.

		ENGINE, USA sets up a sales branch at Essen; HADIR transfers shares in DILLINGER HUETTENWERKE to FORGES & ACIERIES DE LA MARINE etc. Netherlands: ENGINEERS INTERNATIONAL, USA forms a Rotterdam subsidiary; MOTOR PARTS INDUSTRIES, New York, form an Amsterdam subsidiary; TUBE DISTRIBUTORS, New York, form a Rotterdam subsidiary. South Africa: ALLWEILER AG PUMPENFABRIK, Germany joins its agent to form a South African company.
L	FINANCE	France: CAVIA (SIMCA group) will combine with SOVAC; MALLET FRERES merges with MM DE NEUFLIZE, SCHLUMBERGER, Paris. Germany: CHARTERED BANK, London takes shares in CONRAD HINRICH DONNER, Hamburg. Italy: NEWASPIN, Zug backs a new Milan firm.
M	INSURANCE	Germany: ASSICURAZIONI GENERALI DI TRIESTE & VENEZIA, Rome, makes agreement with two German companies, MUENCHENER RUECKVERSICHERUNGSGES and ALLIANZ VERSICHERUNGS.
M	OIL, GAS & PETROCHEMICALS	Belgium & Luxembourg: TRANSALPINE FINANCE formed by 12 companies concerned in TAL project. France: FRANCAISE DES PETROLES (BP group) sells its holding in SNPA (BRP group). Germany: CALTEX DEUTSCHLAND takes 50% in DKV, Düsseldorf. Netherlands: SOCONY MOBIL OIL, New York and GELSENKIRCHENER BERGWERKS, Essen form 50-50 Dutch company. USA: THYSSEN-BURNEMISZA, the Hague takes 10% in LIVINGSTON OIL, USA.
O	PAPER & PACKAGING	Belgium: PAPETERIES DELCROIX renamed WIGGINS TEAPE (BELGIUM). France: TRENTES AUX TOULEMONDE, Tourcoing, Nord, forms a subsidiary there; PAPETERIES DU PONT DE WARCHE re-names INTERWARCHE, now called INTERMILLS. Switzerland: The Swedish group MO OCH DOMSJO and the Swiss one HOLZSTOFFBEREITUNG arrange for two companies both called CARTIERA DI CARMAGNANO to merge.
P	TEXTILES	Belgium: JACQUES SEGARD, Paris forms a sales subsidiary at Wervik. France: CELANESE OF AMERICA plans to invest Ff 25 million, buying ETS PAUL MERKE, ETS GAUDIN and PEY & FOREST.
Q	TOBACCO	Germany: The South African group REMBRANDT TOBACCO takes shares in MARTIN BRINKMANN, Bremen.
R	TRADE	France: AGIMAG and SCMM, Paris buy assets from SIGEAC, St Ouen.

Page		
R	TRANSPORT	Netherlands: DENVER CHICAGO TRUCKING, USA buys control of REDERIJ WEST-FRIESLAND SMITS, Amsterdam.
R	VARIOUS	Belgium: The Dutch owners of NOEL, Malmedy change its name; PIERRE SADOC, Paris forms a Brussels subsidiary. France: MECANORMA (printing) backs SIPAG; PONT-A-MOUSSON, SUEZ and LYONNAISE DES EAUX & DE L'ECLAIRAGE take shares in PLACEMENT & DE PARTICIPATION. Germany: DE BRUYN, Aalst, Belgium forms a Cologne footwear company. Italy: FINMECCANICA (IRIgroup) to sell for BRISTOL AEROPLANE. Netherlands: ERICH ROHDE SCHUFABRIKEN, Kassel forms a Dutch company to sell shares.

AIRCRAFT & SPACE

** CIE INTERNATIONALE D'AVIATION LEGERE SA has been formed at Paris to exploit the patents of JOVAIR CORP, Culver City, California, who make light aircraft and helicopter equipment. The new company's capital is Ff 10,000, which is 94% controlled by French interests (50% of these belong to its president, M. Edouard Chevrier): the remaining 6% is held by M. Russel Porter, Paris, a lawyer, for American interests.

AUTOMOBILES

** BEERS' ZONEN NV, The Hague (see No 136) will take over VAN YPEREN NV, Rotterdam, Both firms import and sell automobiles in the Netherlands. M. J.P. van Yperen, the owner of the second, will continue to run the private car department of his business separately.

The two companies have cooperated for several years, especially in the sales of the trucks and coaches made by the Swedish manufacturer AB SCANIA VABIS, Södertälje (see No 195) whose vehicles are assembled in the Netherlands in a factory at Zwolle run by its subsidiary, SCANIA-VABIS (NEDERLAND) NV, Zwolle.

BUILDING & CIVIL ENGINEERING

** The property group WINSTON-MUSS CORP, New York managed by Messrs Norman K. Winston, Lee Stanfield and David Muss have set up a subsidiary WOLUWE PROPERTIES SA (capital Bf 1 million) at Etterbeek-Bruxelles to build, manage and deal in large business premises and offices.

The new company has as president Mr N.K. Winston who is normally resident in Paris but has carried out a large number of property transactions in the United States, and in Europe at Wissous, Seine & Oise, France and Aviles, Asturia, Spain. He is also president of the American companies, SUN COAST PROPERTIES INC, N.K. WINSTON-HOLZER INC, WINSTON MANAGEMENT CORP. He has set up a Paris property financing company IMMOBILIERE OVERSEAS-EFINA, STE FINANCIERE D'ETUDES ATLANTIQUES.

** ETS POLIET & CHAUSSON SA, Paris (see No 324) is taking a 57% interest in CICM-COMPTOIR INDUSTRIEL & COMMERCIAL DE MATERIAUX SA, Paris, whose managing director, M. Pierre Peltier, is president of the former company (binding material and plaster).

CICM (capital Ff 4.2 million) has an annual turnover of Ff 30 million and has five tile and brick factories: Villejuif, Val de Marne; Langres, Haute Marne; Corny, Moselle; Venarey-lez-Laumes, Cote d'Or and La Ferte-Saint-Aubin, Loiret. Also depots at Ivry, Val de Marne and Port-Marly, Yvre-lines.

** The Swiss firm of architects and property dealers INTERFORM SA, Castagnole-Lugano, Ticino (see No 306) has appointed GABETTI & CO SpA (Turin, with agencies at Milan and Rome) its sole representative for buildings which it has erected at Campione, Italy and Capo Boi, Sardinia, and also for those which it is building in Switzerland, particularly at Crans-sur-Sierre, Chiasso and Lugano. Interform is represented in Italy by a subsidiary, INTERFORM ITALIANA SpA, Caglioro.

** BAXTER, FELL & CO LTD, London, which deals in steel and metal products, has backed a new Brussels company, STORAX Pvba, which makes and installs equipment for shopping centres. 50% of the new business (capital Bf 300,000) is held by Mr Anthony J.Smyth-Tyrrell (the managing director of STORAX LTD, Brentwood, Essex, a member of the British group). Baxter, Fell is represented in Antwerp by BAXTER, FELL & CO-BELGIUM SA, of which Mr W. de Smedt is managing director.

CHEMICALS

** The chemical groups FARBWERKE HOECHST AG, Frankfurt (see No 334) and HERCULES POWDER CO, Wilmington, Delaware (see No 277) are planning to make "Trevira" polyester fibre in USA. They have formed a joint subsidiary to build and run a factory at Spartanburg, South Carolina, which will start production about the end of 1967. Between now and 1970 the parent companies expect to invest about $50 million in it. Since 1956 they have been partners in ABIETA CHEMIE GmbH, Gersthofen, Augsburg, which makes raw materials for the "Buna" rubber industry.

Recently the German group reorganized its American interests (see No 287). Its subsidiary AMERICAN HOECHST CORP, New York, formerly a holding company looking after its shareholdings in USA, became a manufacturing company and took over three group subsidiaries CARBIC HOECHST CORP, HOECHST CHEMICAL CORP and HOSTACHEM CORP, which became divisions. The group's other subsidiaries and shareholdings were left as they were: LLOYD BROTHERS INC (100%), THE NATIONAL LABORATORIES CORP (100%), HOECHST UHDE CORP (100%), AZOPLATE CORP (over 50%) and STAUFFER HOECHST POLYMER CORP (50-50 subsidiary with STAUFFER CHEMICAL CO, New York).

Hercules Powder has one wholly owned subsidiary in Germany. It is HERCULES PAPIERCHEMIE GmbH, Dachau, which specializes in materials for the paper and cardboard industry.

** The chemical and pharmaceutical group FARBWERKE HOECHST AG, Frankfurt (see No 327) is reorganizing its British interests under a holding company which has been formed, HOECHST UK LTD. It will be directed by Mr G. Rubecke and Mr Norman Mischler, who is giving up the vice-chairmanship of BURT BOULTON & HAYWOOD in the New Year. The new company will hold the group shares in HOECHST CHEMICALS LTD, HOECHST PHARMACEUTICALS LTD, PLASFOILS LTD, HOECHST-CASELLA DYESTUFFS LTD, Manchester and HARLOW CHEMICAL CO, Harlow, Essex. In the last company, which makes polyvinyl alcohol, it is 50-50 partner with REVERTEX LTD (see No 233).

** The Dutch petrochemical firm KEY & KRAMER NV, Maasluis, has set up another subsidiary in Austria, MAASPHALT NV Gmbh, Vienna (capital Sch 750,000) with Mr Gerrit Maarten Key, Rotterdam, as manager. The Dutch firm recently set up a Zurich subsidiary ISOLATION SYSTEM KEY & KRAMER AG (see No 327), to use its bituminous covering processes for containers and conduits.

The Dutch company is linked to THE RUBBEROID CO LTD, London; it has subsidiaries in Paris and Curacao and representatives in Belgium and Finland (see No 327).

** As part of its chemical and petrochemical complex at Porto Torres, Sardinia (see No 317), SIR-STA ITALIANA RESINE SpA, Milan (see No 323) has formed a manufacturing company at Sassari called SIRFOS SpA (capital lire 1 million). It shares control 90-10 with an associated company, OPT-OFFICINE DI PORTO TORRES SpA, Sassari.

SIR was formed a year ago in Milan with OPT and (in similar proportions) two other subsidiaries, STA ITALIANA POLIMERI SpA and SARDAP SpA (see No 317). The managing director of each is Sig. Nino Rovelli, and this is also true of Sirfos and BUTAL SpA, Milan (90-10 subsidiary of SIR and SALCIM SpA, Milan).

ELECTRICAL ENGINEERING

** The group HOOVER CO, North Canton, Ohio (see No 294) has regrouped its French interests in the domestic electrical field: STE INDUSTRIELLE HOOVER SA, Longvic-les-Dijon, Cote d'Or, has taken over ETS HOOVER SA, Paris (capital recently raised from Ff 6 to 8 million) and has changed its name to SA HOOVER, raising its capital to Ff 25,880,000. In 1964 the American firm had a turnover of $250 million. Its Dijon subsidiary opened a new factory last July.

Through HOOVER LTD, Greenford, Middlesex, and HOOVER HOLLAND NV, Amsterdam (see No 185), the American group's holdings in Europe are: ETS HOOVER SA, Brussels; HOOVER HANDELMIJ NV, Amsterdam; HOOVER ITALIANA SpA, Milan; HOOVER GmbH, Düsseldorf; HOOVER AG, Switzerland (main office transferred in July 1965 from Freiburg to Baar); HOOVER APPARATE AG and HOOVER SERVICES SA (both at Baar); HOOVER NORSK AS in Norway; HOOVER EL-UDSTYR AS in Denmark and HOOVER OY in Finland.

** CEAT SpA (see No 259 - capital lire 10,000 million) is taking over METALLURGICA ING, TAJANI SpA, Ascoli Piceno (capital lire 400 million), which makes telephonic and electric cables (president Sig Gaetano Tajani).

CEAT makes electric wires and cables, and also converts rubber and plastic materials for industrial use. In 1964 it made a 50-50 agreement with GENERAL TIRE & RUBBER CO, Akron, Ohio and formed CEAT GENERAL PLASTICS SpA, Naples. It is going to take over an old factory at Formia where moulded and extruded plastics will be manufactured.

** The Netherlands group NV ELECTRISCHE APPARATENFABRIEK v/h VAN WIJK & VISSER, Geldermasen (represented in Belgium by ETS M. MICHIELS of Antwerp), has set up its own subsidiary at Anderlecht-Brussels, to distribute its products, e.g. automatic circuit-breakers, electronic relays, electric motor switches, thermostats, etc ... Named VAN WIJK & VISSER NV, this is managed by Mr R. Stockmans and has a capital of Bf 50,000, control of which is shared between the founder company and two associated companies: TECHNISCH HANDELSBUREAU DANIEL NV, Amsterdam and ELECTRO-WATT NV, Hilversum.

The Dutch parent firm has a capital of Fl 5 million and is managed by Mr Cornelis H. Lekkerkerker. It has many agents and distributors abroad: MAGNET-SCHULTZ GmbH, Memmingen; COMAREL SpA, Milan; DEWHURST & PARTNER LTD, Hounslow, Middlesex; BACHOFEN CO, Zurich; CETEC Ltd, Lisbon; FEAX LTD, Athens, etc.

** In order to rationalize its dry battery interests, VARTA AG, Hagen (see No 333 - a member of the QUANDT group) has turned its two divisions into subsidiaries. They will be called VARTA GmbH HAGEN and VARTA GmbH HANNOVER; jointly with VARTA PERTRIX-UNION GmbH, Ellwangen, Jagst, they will form a manufacturing group covering the whole range of dry batteries. After this operation, Varta will no longer be a manufacturing company itself, but will turn into a holding company responsible for the group's financial coordination.

ELECTRONICS

** The electronic equipment firm TELONIC INDUSTRIES INC, Beech Grove, Indiana, which makes modulators, reducers, TV sets for black and white and colour reception, etc is installing its first European sales company. This will be TELONIC INDUSTRIES GmbH (capital Dm 20,000) at Frankfurt, which will be managed by Mr Donald Barda of Laguna Beach, California and Herr Klaus Bärtges, Frankfurt.

The American company is represented in Paris by EQUIPEMENTS SCIENTIFIQUES and in London by LIVINGSTONE LABORATORIES LTD. Its sister company in USA is TELONIC ENGINEERING CO, Laguna Beach, California, which makes telemetering equipment and high frequency filters.

** NOVA-TECH INC, Manhattan Beach, California has formed a subsidiary NOVA TECH (ITALIA) SpA at Genoa. It will be directed by Mrs B. Gilchrist/ James-Bell and will sell electronic instruments, radio, remote-control, direction-finding apparatus, etc.

The American firm is represented in several other European countries (see No 275) and has sales subsidiaries in Paris, London, Bremen and Amsterdam.

** The Dutch industrialist Mr George C. F. Kauderer, who heads the electronics components firm AMROH NV, Muiden, is backing AMROH KAUDERER GmbH, Neuss, which has been formed to sell electronic, accoustic and radio equipment in West Germany. He holds 30% of the Dm 50,000 capital direct and 70% is held by GEO. C. F. KAUDERER NV, Muiden.

ENGINEERING & METAL

** PURMETAL EXPORT GmbH, Angermund bei Düsseldorf, has opened a branch at Hull, Yorkshire which will be directed by Mr Robert K. Rix and Mr Malcom J. Wray, and will represent the metal-refining company PURMETAL GES. FUER STAHLVEREDELUNG, Oberhausen in Britain. Purmetal is a 76% subsidiary of NOLTEN KG, Oberhausen, Rhineland, which also owns Purmetal Ges. and deals in cast iron products and waste (filings, abrasive powders, etc). The group is directed by Herr Werner Funke, Mülheim, Speldorf and also contains DRACO, WERNER FUNKE & CO KG, Oberhausen, PURMETAL WERNER FUNKE, Oberhausen and DEUTSCHE ACETOPAN GAS CO GmbH.

** HAGER & WEIDMANN AG, Bergish-Gladbach, Cologne (see No 291), which is controlled by the French group TUNZINI SA (see No 326 - atmospheric control and dust removal) has made a 50-50 agreement with OTTO DUERR ANLAGEN FUER OBERFLAECHEN-TECHNIK KG, Stuttgart-Zuffenhausen (see No 246). Each business will put its paint store department into an equally owned subsidiary which has been formed at Stuttgart, called DUERR OBERFLAECHENTECHNIK GmbH (capital Dm 100,000). It will do engineering and general business in West Germany, Austria, the Netherlands and Scandinavia and will also carry out work for its parent companies. The Stuttgart firm will put its export sales into the hands of a 50-50 subsidiary which will be formed jointly with Tunzini, called INTERFINISH SA (capital Ff 100,000).

The French group's paint store department has an estimated turnover for 1965 of Ff 45 million. It was already connected with Hager & Weidmann (capital Dm 3 million, of which more than 75% belongs to the French group) in a joint subsidiary TUNZINI KLIMATECHNIK GmbH, which was formed in 1961 at Bensberg, Cologne. A few months ago it took over from JOHANNES HAAG AG, Berlin and Düsseldorf, part of its heating and air-conditioning assets, which are managed by a new subsidiary HEIZUNGS- & KLIMATECHNIK GmbH, Berlin.

** TREFIMETAUX SA, Paris plans to sell its cable and steel wire business at Havre, Seine Maritime to SA DES HAUTS FOURNEAUX DE LA CHIERS, Longwy-Bas, Meurthe et Moselle, in which it holds 5.64%. Trefimetaux recently made an agreement with KAISER ALUMINIUM & CHEMICAL CORP, Oakland, California (see No 332) which shows that it is moving towards the non-ferrous metal industry.

La Chiers is owned 7.93% by COCKERILL-OUGREE SA, Seraing (see No 330) and 4.56% by BRUFINA-STE DE BRUXELLES POUR LA FINANCE & L'INDUSTRIE SA, Brussels (see No 321). In 1964 with the help of Trefimetaux it gained 61.87% control of the leading French firm making mild steel sections, ETS LEFORT SA (capital Ff 4,035,000) Mohon, Ardennes. This has factories at Montreuil-Belfroy, Maine et Loire; Casseneuil, Lot et Garonne; and La Plaine-St-Denis, Seine.

La Chiers has an interest in the steel section industry, an 18.1% share in TREFILERIE & CABLERIE DE BOURG SA (whose capital was recently raised from Ff 6 million to Ff 6.78 million). This was the result of its taking over another firm in the same industry ETS BESSONNEAU SA, Angers, Maine & Loire. Trefimetaux also holds 17.9% in Trefilerie & Cablerie de Bourg

** LVD CO Sprl, Gullegen, Belgium has obtained an exclusive licence to make and sell in Europe "Warco-Mackay" stamping, punching, cutting and extruding presses from THE MACKAY MACHINE CO, Youngstown, Ohio (see No 149).

LVD makes sheet-metal working machines. hydraulic stamping presses, locators, folding machines and shears for the automobile, ship-building and railway industries. It has a technical agreement with WEAN-DAMIRON SA, Paris, which is linked with the American group (see No 215) and which makes automatic transfer plants and strip-metal feeding machines under licence from MACKAY MACHINE & WEAN ENGINEERING, Warren, Ohio.

The French firm supplies the European market either direct or through its subsidiaries WEAN-DAMIRON, MACKAY & CO GmbH and NORVIL Srl, Milan.

** HAMWORTHY HYDRAULICS LTD, Poole, Dorset is backing HYDRECO HAMWORTHY HYDRAULICS GmbH, Düsseldorf (capital Dm 20,000), managed by Mr Harry Kirk, Wareham, Dorset, the managing director of HAMWORTHY ENGINEERING, Poole, Dorset. The parent company manufactures hydraulic machinery and oil pumps and is a member (through Hamworthy Engineering, Poole, Dorset) of the group POWELL DUFFRYN LTD, London whom LURGI, Frankfurt - see No 319 - recently licenced to use its water treatment patents in Britain.

One of Hamworthy Engineering's subsidiaries, HAMWORTHY PUMPS & COMPRESSORS LTD, has been linked since June 1964 (see No 260) by a technical agreement on rotary pumps with three Common Market companies: GOTTHARD ALLWEILER PUMPENFABRIK AG, Radolzell am Bodensee, HOUTTUIN POMPEN NV, Utrecht and ETS POMPES GUINARD SA, Saint-Cloud, Hauts de Seine (see No 305).

** CUMMINS DIESEL DEUTSCHLAND, branch of CUMMINS DIESEL SALES CORP of Columbus, Indiana (sales subsidiary of CUMMINS ENGINE CO INC of Columbus) is being formed at Essen, and will be directed by Herr William M. Opfermann, Essen, and Herr William A. de Ruyter, Glashutten, Taunus. It will be responsible for the sales of another branch which was opened in West Germany in June 1964 at Gross Gerau.

This move was foreshadowed by the opening of branches at Milan (see No 323) and Paris, and by the setting up of a technical assistance organization in the Common Market to help the sale of diesel engine distributors and accessories made by CUMMINS DIESEL MOTOREN GmbH, Essen, and CUMMINS ENGINE CO LTD, Shotts, Lanarkshire and Darlington). The Cummins group already had one French distributor, SOVI SA, Clichy, Hauts-de-Seine, and recently acquired another, STE DES MOTEURS COUACH SA, Arcachon, Gironde, which employs about 400 men building marine engines.

** SIMCA INDUSTRIES SA, Paris is becoming more of a holding company by transferring about 20% of its manufacturing assets to a business which has been formed under the name of SMA-STE DE METALLURGIE AUTOMOBILE (capital Ff 75 million). The new company will take care of its parent's forge and foundry department; it has factories at Bondy, Seine St Denis (950 employees), Sept-Fons, Allier (730 employees), Vieux-Conde, Nord (1,100 employees) and Sully-sur-Loire, Loiret (730 employees).

In addition to its property assets, Simca Industries retains two manufacturing departments: "Unic" (building trucks at Puteaux and Suresnes, Hauts de Seine) and "Someca" (building tractors and agricultural equipment at Bourbon-Lancy, Saone-&-Loire). This last company is also responsible for distributing tractors for the FIAT SpA, Turin, group, whose sales subsidiary, FIAT FRANCE SA (capital Ff 15 million) has just removed its administrative headquarters from Caluire, Rhone, to Paris.

** EVENCE COPPEE & CIE Scs, Brussels and its subsidiary CIE DE DEVELOPPEMENT INDUSTRIEL SA, Brussels, have decided to wind up their joint subsidiary, MECANIQUE AUTOMATIQUE MODERNE SA, Brussels (formerly at Tournai - see No 247) and have appointed Messrs R. Baiwir, J. Goffart and R. de Wever to be the liquidators. The subsidiary, set up in 1948, exploited the patents of the French firm, ETS LECQ SA of Douai, Nord (see No 299 - which had a majority interest in it), for mining equipment, conveyor-truck installations and handling equipment.

** The French groups AMELIORAIR SA (see No 326) and TUNZINI SA are going to coordinate and rationalize their manufacture and sales. This is the first stage towards a closer association and does not mean that the two businesses will link up for the time being; they both specialize in heating and atmospheric plant.

This is the outcome of negotiations which have been going on for a year between Tunzini and two other groups, CIE DE PONT-A-MOUSSON, Nancy and CIE FINANCIERE DE SUEZ, Paris, both of which are shareholders in Amelioraír. Other shareholders in it are STE LYONNAISE DES EAUX & DE L'ECLAIRAGE, Paris and MIDLAND ROSS CORP, Cleveland, Ohio. Pont-a-Mouson and Suez are taking 14.8% in Tunzini, whose capital is going to be raised to Ff 16.91 million, through STE DE PLACEMENTS & DE PARTICIPATION (joint subsidiary of Pont-a-Mousson, Suez and Ste Lyonnaise).

** Subject to approval by the High Authority the European Coal and Steel Community CIE DES HAUTS-FOURNEAUX DE CHASSE, Lyons (see No 246) is going to merge with STE DES HAUTS-FOURNEAUX REUNIS DE SAULNE & D'UCKANGE SA, Paris (see No 33), which is itself the outcome of a merger in the cast iron industry in Lorraine.

Chasse is owned 10% by FORGES & ACIERIES DE LA MARINE, DE FIRMINY & DE SAINT-ETIENNE, Paris. Its production is about 120,000 tons. It has a factory at Chasse-sur-Rhone, Isere and specializes in cast iron. It has three blast furnaces, a cement works and interests in two mining companies.

Saulnes & d'Uckange (president M. C. Bolveck) has a capital of Ff 50 million, divided 71/29 between FORGE & ACIERIE DU NORD & LORRAINE and STE DES HAUTS FOURNEAUX REUNIS DE SAULNES & D'UCKANGE, who have re-grouped their cast iron businesses (annual production about 450,000 tons).

** The Belgian manufacturer of metal kitchen furniture USINES ACINA Sprl, Ransart (directed by Mr J.H. Schoeters) has ended its reciprocal sales representation agreement with ACINA FRANCE Sarl, Consolre, Nord (capital Ff 40,000). It has sold its 50% holding in the French company to AEROFLAM SA, Consolre, which makes heating appliances. Acina France was formed in 1963 jointly with Aeroflam (capital Ff 160,000), whose president is a Belgian, M. Marcel V. Bourgeois.

** ALLWEILER AG PUMPENFABRIK (formerly GOTTHARD ALLWEILER PUMPENFABRIK AG), Radolfzell (see No 334) is joining its South African agent 30-70 to set up a business called RAPID ALLWEILER PUMP & ENGINEERING CO. Its purpose will be to make a variety of pumps, and it will work mainly for the Southern African Governments on irrigation projects.

In 1964, the German company took over SEEBERGER KG MASCHINEN- & GERAETEBAU, Kirchhellen, Westphalia, which is a wholly-owned subsidiary. Abroad, it cooperates with HOUTTUIN POMPEN NV, Utrecht, SA ETS POMPES GUINARD, Saint-Cloud, Hauts-de-Seine, and HAMWORTHY PUMPS & COMPRESSORS LTD (subsidiary of HAMWORTHY ENGINEERING LTD, which is a member of the POWELL DUFFRYN LTD group, London).

** SA DES USINES CHAUSSON, Asnieres, Hauts-de-Seine (see No 326) has formed a holding company in Switzerland, STE FINANCIERE CHAUSSON SA, Basle (capital Sf 200,000) with M. Georges Ott, Basle as managing director.

The French firm makes components for the car industry (radiators, body panels, tools) and already has two subsidiaries abroad, STE BELGE DES USINES CHAUSSON SA, Forest, Brabant, and RADIADORES PUMA CHAUSSON SA, Spain. It employs 5,600 people and in 1964 had a turnover of Ff 330 million. SA FRANCAISE DU FERODO, Paris (see No 308) recently became a 17% shareholder in the company, which a short while ago regrouped its provincial service agencies in ATELIERS REGIONAUX CHAUSSON, RADIATEURS POUR AUTOMOBILES SA, Paris (capital Ff 6,120,000).

** HADIR-STE DES HAUTS FOURNEAUX & ACIERIES DE DIFFERANGE, ST-INGBERT RUMELANGE SA, Luxembourg will transfer its 9% shareholding in AG DER DILLINGER HUETTENWERKE, Dillingen, Saarland (see No 332) to CIE DES FORGES & ACIERIES DE LA MARINE, DE FIRMINY & DE SAINT-ETIENNE SA, Paris, which already has a 23% interest in it. This transaction will maintain the French holding at 60% when ARBED Luxembourg, takes control of HADIR.

Several months ago (see No 314) Dillinger made an agreement with ROESCHLING'SCHE EISEN & STAHLWERKE GmbH, Völklingen, to build at Dillingen a new oxygen-process steelworks with an annual capacity of 1 million tons.

** The Belgian company ATELIERS J. HANREZ SA, Monceau-sur-Sambre, has raised the capital of HOLDING INTERNATIONAL DE CONSTRUCTIONS MECHANIQUES, Luxembourg, of which it has nearly complete control, to Lf 1 million. The Belgian company manufactures bolt and screw-making machines (Roy-Hanrez and Hartford-Hanrez), and equipment for bottle-making, industrial heating, mines, steel-works, foundries, etc. It has several subsidiaries such as APPLICATIONS MECANIQUES DE PRECISION SA and STE DES MACHINES ROIRANT SA (both at Monceau-sur-Sambre).

** The Philadelphia consultants ENGINEERS INTERNATIONAL CORP have formed a Rotterdam subsidiary ENGINEERS INTERNATIONAL CORP (NEDERLAND) NV, which will be directed by Mr Pieter H. Lodewijkx. They hold 80% of the Fl 50,000 capital direct and the balance belongs to the director. In addition to the consultancy business, the new firm will sell machinery, apparatus and technical plant of all kinds.

** MOTOR PARTS INDUSTRIES INC, New York, which sells spare parts for cars in New York State, has entered Europe by forming a wholly-owned Amsterdam subsidiary, NV AUTO-ONDERDELEN MIJ "EUROPA" (capital Fl 50,000). The directors will be the same as those of the parent company, namely Mr Philip Kirschner, Mr Albert W. Konnig, Mr Howard Greenbaum, Mr Samuel Greenbaum and Mr Sherman Greenbaum.

** TUBE DISTRIBUTORS CO INC, Garden City, New York, which deals in metal and metal products, including tubes and sections, is entering Europe by forming an almost wholly-owned subsidiary at Rotterdam, TUBE DISTRIBUTORS EUROPA NV (capital Fl 100,000). It will be directed by an American, Mr Sol Steinberg, and will have the same objects as its parent company.

** TUROLLA SpA, Bologna, hydraulic equipment and apparatus, has appointed as its exclusive representative for West Germany HYDRATEC GmbH FUER HYDRAULISCHE KONSTRUKTIONS ELEMENTE, Neuss, Rhine. This firm was formed recently with a capital of Dm 60,000 and will be managed by Herr Ernst F. Thiele, Düsseldorf.

FINANCE

** CAVIA-CREDIT POUR L'ACHAT DE VEHICULES AUTOMOBILES SA, Neuilly, Hauts de Seine, will combine with SOVAC-CREDIT MOBILIER & INDUSTRIEL SA, Paris. The former has a capital of Ff 27.5 million, almost entirely held by SIMCA-INDUSTRIES, Paris (see No 292), itself owned 32% and 25% respectively by FIAT SpA and CHRYSLER CORP. The latter (capital Ff 29.4 million) was formed in 1919 to finance hire-purchase for SA ANDRE CITROEN, Paris and is already linked to SIMCA-INDUSTRIES through SOVAC-EQUIPMENT SA, Paris (capital Ff 4 million) formerly CREDIT MOBILIER NORD-AFRICAIN, SOVAC-AFRIQUE (the CAVIA & SOVAC shareholdings are 47.1% and 5.7% respectively).

The combining of the two firms will result in an undertaking which will take second place in the French automobile hire-purchase business after DIAC-LA DIFFUSION INDUSTRIELLE & AUTOMOBILE PAR LE CREDIT SA, Paris - see No 276 - of the REGIE RENAULT group.

SOVAC is associated with LAZARD FRERES & CIE and UNION EUROPEENNE INDUSTRIELLE & FINANCIERE SA (bank of the SCHNEIDER & CIE group) and operates through several financial groups in which it is a shareholder: CAISSE CENTRALE IMMOBILIERE SA (25%), CAISSE CENTRALE D'AVANCES & D'ACCEPTATIONS SA (99.7%), LOCATEL SA (13.3%), COCEPI CIE CENTRALE DE PLACEMENT & D'INVESTISSEMENT SA, CIE POUR LE CREDIT A MOYEN TERME SA, UNION IMMOBILIERE & FINANCIERE SA, CIE GENERALE DE FINANCEMENT IMMOBILIER SA, etc and the American hire-purchase company ALLIED BUILDING CO (see No 233).

** MALLET FRERES & CIE Snc (capital Ff 2 million) and MM DE NEUFLIZE, SCHLUMBERGER & CIE Sncs (capital Ff 10 million) are merging to form a new bank, MM DE NEUFLIZE, SCHLUMBERGER, MALLET & CIE Scs, Paris.

MM. de Neuflize, Schlumberger & Cie's interests include STE DE GESTION MOBILIERE SA (see No 279) in Paris, the variable capital investment company SOGINTER-STE GENERALE D'EPARGNE & DE PLACEMENTS INTERNATIONAUX SA (see No 260), the investment companies SODIMCO SA (see No 241) and INVESTISSEMENT BANQUES-ASSURANCES SA; the leasing companies LOCAMO-STE POUR LA LOCATION DE MACHINES-OUTILS FRANCAISES SA (see No 236) and LOCA-PME-STE DE LOCATION POUR LE MATERIEL D'EQUIPMENT SA (see No 248). It also holds shares in CIRD-CIE INTERNATIONALE DE DEVELOPPEMENT RURAL SA (see No 234), UNION INDUSTRIAL BANCARIA SA, Barcelona (see No 303), FINCOSA-FINANCIERIA & IMMOBILIARIA INTERNACIONAL SA, Madrid (see No 273), LE GRAND BAZAR D'ANVERS SA (see No 256), and the New York finance house ISTEL LEPERCQ & CO INC (100%) and ISTEL FOUND INC.

Mallet, Freres has links with STE ALSACIENNE DE CONSTRUCTIONS MECANIQUES SA, Mulhouse (see No 311) and CIE GENERALE DES EAUX SA, Paris (see No 265). It was the latter's partner in CIE PARISIENNE DE REESCOMPTE SA, GENAREP-CIE GENERALE DE RECHERCHES PETROLIERES SA, Paris (see No 279), and LATONIA INVESTMENT TRUST CO SA, Panama.

** CHARTERED BANK LTD, London, has had a Hamburg branch for about 60 years, but it is now acquiring shares in the Hamburg merchant bank, CONRAD HINRICH DONNER KG (see No. 266), which is directed and controlled by Mr. Hans Joachim Peters and Mr. J. Willink. It was formed in 1798, and specializes in financing commercial operations abroad. It holds 25% in the finance company AMSTERDAMSE CREDIET MIJ NV, Amsterdam, in which REA BROTHERS LTD, London, already holds 25%.

Chartered Bank and its 100% subsidiary, EASTERN BANK LTD, London, between them own more than 100 subsidiaries and branches in various parts of the world, but particularly in the Middle East and Far East. It has a wholly-owned San Francisco subsidiary, CHARTERED BANK OF LONDON, with offices in New York. Its owns 49% (jointly with Eastern Bank) in COMMERCIAL BANK OF LIBYA, Tripoli, and 88% in ALLAHABAD BANK LTD, India. It also has majority shareholdings in FAR EAST TRUST CORP, Hong Kong, and IRANO BRITISH BANK LTD, Teheran.

** The Swiss holding company NEWASPIN AG (directed by Dr. Ebbio Gada) was formed at Zug at the end of 1964 (capital Sf 100,000). It is now backing a Milan investment company (formed recently with a capital of lire 100 million), of which Sig. G. Golimberti is the manager and a shareholder.

INSURANCE

** ASSICURAZIONI GENERALI DI TRIESTE & VENEZIA SpA, Rome and Trieste (see No. 264), has made an agreement for cooperation and mutual representation with two German insurance companies; they are MUENCHENER RUECKVERSICHERUNGSGES AG, Munich (see No. 268), and its 30% associate, ALLIANZ VERSICHERUNGS AG, Berlin and Munich, which is closely linked with the group RAS - RIUNIONE ADRIATICA DI SICURTA SpA, Milan - see No. 317 - through a joint life insurance subsidiary at Munich. Allianz has also taken a minority shareholding in LA PACE SpA, Milan (member of the Trieste & Venezia group), which had a 1964 turnover of lire 3,920 million (of which 28.8 million was life business, in which it began during the year).

Trieste & Venezia (premium income in 1964 lire 139 million) has several Italian subsidiaries (ALLEANZA ASSICURAZIONI, CIA DELL'AGRICOLTURA, CIA RIUNITE DI ASSICURAZIONE), and also insurance and reinsurance offices, branches and firms in all five continents (in particular it has had general offices for the last two years in London, Frankfurt, and Amsterdam).

OIL, GAS & PETROCHEMICALS

** STE FRANCAISE DES PETROLES BP SA, Courbevoie, Hauts-de-Seine (see No. 328), which is 70% controlled by THE BRITISH PETROLEUM CO LTD, London, has decided to dispose of its 3.11% holding in SNPA - STE NATIONALE DES PETROLES D'AQUITAINE (see No. 328), which is a 51.8% subsidiary of BRP - BUREAU DE RECHERCHES DES PETROLES.

Two Paris banks have taken an option on the holding. Other large shareholders in SNPA include CFP - CIE FRANCAISE DES PETROLES SA and SNIP - STE NATIONALE DE

FINANCEMENT DES RECHERCHES DE PETROLE SA, with 7.37% and 2.35% respectively.

** An investment company, TRANSALPINE FINANCE HOLDINGS SA (capital $3 million, of which 20% has been paid up) has been formed at Luxembourg by the twelve petroleum companies who are taking part in the construction of a pipeline across the Alps (project TAL). The pipeline runs from Trieste on the Adriatic, across Italy and Austria and ends at Ingolstadt in Bavaria, with a branch pipeline to the refinery at Schwechat, Vienna, Austria (see No. 317). The twelve companies have contributed in the same proportion as their holdings in each of the three companies (Italian, Austrian and German) who are building, and later operating, the main TAL pipeline: STA ITALIANA PER L'OLEODOTTO TRANSALPINO SpA, Trieste (see No. 294); TRANSALPINE OELLEITUNG IN OESTERREICH GmbH, Innsbruck (see No. 317) and DEUTSCHE TRANSALPINE OELLEITUNG GmbH, Munich (see No. 333).

Transalpine Finance Holding's shareholders are: STANDARD OIL CO OF NEW JERSEY, New York (20.4%); BATAAFSE PETROLEUM MIJ NV - of the ROYAL DUTCH SHELL group - The Hague (15.4%); THE BRITISH PETROLEUM CO LTD, London (14.4%); SOCONY MOBIL OIL CO, New York (11.4%); HYDRO-CARBONS HOLDINGS CO AG - of the ENI group through SOFID SpA - Zurich (10.4%); MARATHON INTERNATIONAL OIL CO, Findlay, Ohio (7%); GELSENKIRCHENER BERGWERKS AG, Essen (6%); SCHOLVEN CHEMIE AG, Gelsenkirchen-Buer (of the group VEBA AG - see No. 332); WINTERSHALL AG, Celle (see No. 333); DEA - DEUTSCHE ERDOEL AG, Hamburg (see No. 332); CONOCO AG, Zug (of the group CONTINENTAL OIL CO - see No. 329) and TEXACO INC, New York. The last five companies each has a 3% holding.

To finance the main part of the TAL pipeline (independently of the Austrian branch pipeline operated by AWP - ADRIA WIEN PIPELINE GmbH, Vienna, in which OMV AG is a 51% shareholders - see No. 332), a consortium of banks was formed several months ago (see No. 298) to supply three-quarters of the $170 million necessary for building the 284 miles long pipeline which will have a throughput of 25 million tons per year. The chief banks concerned were N.M. ROTHSCHILD & SONS, London, S.G. WARBURG & CO, London, LEHMANN BROTHERS, New York, BANQUE DE PARIS & DES PAYS-BAS, Paris, BANCA COMMERCIALE ITALIANA, Milan, and CREDITANSTALT-BANK-VEREIN, Vienna. The capital was raised partly from the bank's own funds and partly through public loans in several European countries. Several banks participating in this consortium recently set up with equal holdings the Luxembourg holding company PIPELINE FINANCE SA (capital £500,000 - see No. 316) whose field of action will not be limited to the TAL project or even to continental Europe. The founders of this holding company were N.M. ROTHSCHILD & SONS, S.G. WARBURG & CO, BANQUE DE PARIS & DES PAYS-BAS, DRESDNER BANK AG, Düsseldorf, DEUTSCHE BANK AG, Frankfurt, DE ROTHSCHILD FRERES Snc, Paris, and WHITE, WELD & CO, New York and Zurich.

** The Dutch and German group THYSSEN-BORNEMISZA, The Hague, has obtained a shareholding of about 10% in LIVINGSTON OIL CO, Tulsa, Oklahoma. The American firm prospects for oil and natural gas and has concessions in the States of Kansas, Oklahoma and Texas. It recently made an agreement with the Israeli company PETROCANA LTD which has concessions on the continental shelf in the Mediterranean off the shore of Israel.

Thyssen has grouped most of its shareholding in the holding company BANK VOOR HANDEL & SCHEEPVAART NV, Rotterdam. It has large investments in West Germany, particularly in AUGUST THYSSEN BANK AG, Berlin, but has greater interests in the Netherlands in shipping companies and in firms selling chemical fertilizers.

** NV "OKIJN" HANDELMIJ, Amsterdam, provisonally controls MOBIL GELSENBERG SCHEEPVAART MIJ NV, a petrol and oil products transport firm, newly formed at The Hague (initial capital Fl 10,000) to assist in the formation of a 50-50 subsidiary of SOCONY MOBIL OIL CO INC, New York, and GELSENKIRCHENER BERGWERKS AG, Essen (see No. 327). The German shareholding will be held by GELSENBERG ROTTERDAM DEELNEMINGMIJ NV, Rotterdam, a finance company set up in June 1964 (see No. 264) by the German group (95%) and its wholly-owned subsidiary GELSENBERG BENZIN AG, Gelsenkirchen (5%) to hold shares in the petrol distributing industry. The Amsterdam company sells raw materials and manufactured goods in Europe and North America (see No. 306).

The American and German groups have cooperated for several years in manufacturing, processing and sales. The German group has a 5% holding in the American group's oil concessions in Libya. Mobil (through its Hamburg subsidiary MOBIL OIL AG IN DEUTSCHLAND) and the German group have five 50-50 subsidiaries: ERDOELRAFFINERIE NEUSTADT GmbH & CO oHG (refinery at Neustadt); ERDOEL-RAFFINERIE WOERTH GmbH (refinery under construction at Wörth, Rhein); GELSENBERG & MOBIL OIL HANDELS- & TRANSPORT GmbH; the last three are sales and petrol transport firms, located in Hamburg.

** CALTEX DEUTSCHLAND GmbH (see No. 305) has taken 50% in the Düsseldorf oil-distributing company DKV - DEUTSCHE KRAFTVERKEHR ERNST GRIMMKE GmbH & CO KG. The latter introduced the "Europa-Service" system of petrol tickets, which enable international travellers to obtain diesel oil and engine oil abroad in return for coupons purchased in their own currency. This applies to about 500 service stations, some in Germany, and some abroad.

Caltex Deutschland is the 100% subsidiary of CALIFORNIA TEXAS OIL CORP, New York, which is owned 50-50 by STANDARD OIL CO OF CALIFORNIA and TEXACO INC. The German company already controls the Hanover distributing firm MITTELDEUTSCHE MINERALOELHANDELS GmbH, and runs refineries at Hamburg and Frankfurt. It is also taking part in offshore prospecting in the North Sea.

PAPER & PACKAGING

** UNION DES PAPETERIES SA, La Hulpe, PAPETERIES STEINBACH & CIE SA, Malmedy, and PAPETERIES GODIN SA, Huy, were recently taken over by PAPETERIES DU PONT DE WARCHE SA, Malmedy (which has become INTERMILLS SA - capital Bf 400 million - see No. 321). The joint sales subsidiary of these four, which was called INTERMILLS SA, Brussels, has been renamed INTERWARCHE SA and its headquarters has been moved to La Hulpe.

The Brussels firm (formerly IMMOBILIERE SCALDIA SA) doubled its capital to Bf 100 million at the end of 1963 (see No. 234); it is 50.97% controlled by PAPETERIES DU PONT DE WARCHE. Its other shareholders were PAPETERIES STEINBACH & CIE (25.09%), UNION DES PAPETERIES (16.82%), and PAPETERIES GODIN (7.09%).

** The holding company INTERCELPA AG, Basle, which is a 50-50 subsidiary of the Swedish group MO OCH DOMSJO AB, Ornsköldsvik, and the Swiss group GES FUER HOLZSTOFFBEREITUNG AG, Basle (see No. 266), has merged two companies, both named CARTIERA DI CARMIGNANO SpA, into one company also of the same name, located at Carmignano del Brente, Padua. The first of the two had its main office at Basle and managed the wood pulp factory controlled 100% by the Swiss group until 1964. The second was set up in September 1964 at Carmignano to take over the factory: Sig. Enrico Brentini is president and the capital was raised some months ago to lire 500 million.

Apart from the Italian paper-works (three machines with an output of more than 50 tons a year), INTERCELPA controls two companies in France: PAPETERIE DE PONT-SAINT-MAXENCE SA, Pont-Saint-Maxence, Oise (run until 1964 by a subsidiary of the same name at Basle) and PAPETERIES DUJARDIN SA, Vanves, Seine.

** TRENTESAUX-TOULEMONDE SA, Tourcoing, Nord (capital Ff 5 million - president M. Henri Trentesaux, Mouvaux, Nord), which transforms paper and carboard into thin aluminium sheets and cellulose films, has formed a subsidiary at Tourcoing called CARTONORD SA (capital Ff 100,000). The new firm will manufacture and sell paper and cardboard. Its other shareholders are AGEPAC-PAPIERS & CARTONS SA, Tourcoing (capital Ff 250,000) and M. Joseph Trentesaux, Leers, Belgium.

** The Belgian company PAPETERIES DELCROIX SA, Nivelles (see No. 288), which makes parchment of vegetable origin and NCR (no carbon required) paper, has changed its name to WIGGINS TEAPE (BELGIUM) SA to give a clearer indication of its association, through its subsidiary MILLBANK PAPER CO LTD, London, with the London group of the same name. BRITISH AMERICAN TOBACCO LTD (see No. 314) has exchanged its holding in Millbank for a large minority share in the WIGGINS TEAPE group.

TEXTILES

** So as to enlarge its interests in synthetic materials in the Common Market, the CELANESE CORP OF AMERICA, New York (see No. 304) intends - if the French Government grants permission - to invest Ff 25 million and obtain control of three textile firms:

(1) ETS PAUL MERKE SA, Lyons, and its subsidiary, STE INDUSTRIELLE DE TISSAGES PM SA, Lyons, making acetate, nylon and polyester materials for lingerie, jumpers, dressing gowns, anoraks, etc., in its two factories at Bourgoin, Isere, and St. Nicholas de Macherin, Isere;

(2) ETS GAUDIN & CIE, Bourgoin, Isere, dyeing and finishing;

(3) PEY & FOREST SA, Lyons, silks and clothing of acetate and other synthetic fibres.

The American group is associated with ICI - IMPERIAL CHEMICAL INDUSTRIES, London, in the firm FIBER INDUSTRIES LTD of Greenville, South Carolina (62% controlled), making "Nylon 66", whose output will soon be doubled to 80 million pounds a year. Recently it opened at Lanaken, Liege, a factory to make "Arnel" cellulose fibres: this will be run by its subsidiary AMCEL EUROPE SA (see No. 226). In addition, the American group has established a large organization to manufacture and sell synthetic fabrics and cellulose fibres (nylon 66, Arnel, Terylene, polyester, acetate and polypropylene fibres). This organization includes: the Belgian manufacturing subsidiary already mentioned; AMCEL NEDERLAND NV, Amsterdam; KONAM NV, Amsterdam (which will run a vinyl acetate factory now under construction at Rotterdam in association with KON ZOUT-KETJEN NV - see No. 290); SIACE SpA, Fiumefredo, Catania (control of which it bought several months ago from the SNIA VISCOSA and FASCO groups - see No. 304); GREENBURGH CORP SA, Brussels (see No. 238); AMCEL ITALIANA Srl, Milan (see No. 224); DEUTSCHE AMCEL, Frankfurt; AMCEL FRANCE SA, Paris (formerly SOFILETA SA); TICONA POLYMERWERKE GmbH, Kelsterbach (see No. 215) and BOBINA FABERWERKE GmbH, Bobingen (which, like Ticona, partly belongs to FARBWERKE HOECHST AG); etc.

** The raw and combed woollen thread dealers JACQUES SEGARD & CIE Sca, Paris and Tourcoing, have formed a sales subsidiary for Belgium, JACQUES SEGARD & CIE Pvba at Wervik, which is not far from the French frontier. Its Bf 1 million capital is shared between M. Jacques Segard (50%), M. Hubert Segard (25%), and M. Alain-Herve Segard (25%), who are managing directors of the parent company. The Paris firm until recently was called SEGARD & CIE, and was managed by M. Antoine Segard and M. Philippe Motte. Not long ago, they formed two other wool businesses, ANTOINE SEGARD & CIE SA (capital Ff 300,000) and PHILIPPE MOTTE & CIE SA (capital Ff 200,000).

TOBACCO

** The South African group REMBRANDT TOBACCO CORP, Stellenbosch (see No. 319) through its division RUPERT TOBACCO CORP, Stellenbosch, has taken a minority holding in the Bremen tobacco and cigarette manufacturer MARTIN BRINKMANN AG (see No. 323). The latter has 5,000 employees in its Bremen and West Berlin factories. It supplies 70% of the German market, through more than 30 depots. Herr Wolfgang Ritter is the majority shareholder. It has four subsidiaries: GES. FUER TABAKVERARBEITUNG C.F. VOGELSANG mbH, Bremen; ZIGARETTEN-FABRIK MURATTI AG, Berlin; HERMANN FABER GmbH KAFFEEGROSSROSTEREI, Bremen; and DOBBELMAN GmbH, Rees.

The South African group is closely connected through Rupert Tobacco with CARRERAS LTD, Basildon, Essex, and ROTHMANS OF PALL MALL LTD, London. It has 27 factories in 17 countries and its products are sold all over the world. It is among the largest cigarette manufacturers in Great Britain, Ireland, Belgium, Luxembourg, Canada, South Africa, Australia, etc.

** The tobacco manufacturer, CONSOLIDATED CIGAR CORP, New York, has signed a reciprocal sales agreement with the Dutch firm NV WILLEM II SIGARENFABRIEKEN V/H H. KERSTEN & CO, Valkenswaard, a family cigar-making business. The American firm has many holdings in USA in the manufacture and processing of tobacco (brand names "Dutch Masters", "Harvester", "Muriel", "1886", "Simon's", etc) as well as in large stores, tool and machines construction and the manufacture of plasticized articles.

TRADE

** AGIMAG - STE POUR L'AGENCEMENT & L'INSTALLATION DE MAGASINS SA and SCMM - STE DE CONSTRUCTIONS DE MATERIEL DE MAGASINS SA, both recently formed in Paris with a capital of Ff 400,000 each (see No. 325), have bought the industrial assets of SIGEAC - STE D'INSTALLATION GENERALES & D'AGENCEMENTS COMMERCIAUX, St. Ouen, Seine. SIGEAC is giving up shop-letting. The assets include sites and factories at St. Ouen, Seine, and Blois, Loire & Cher.

Agimag and SCMM are almost wholly-owned by FROID SATAM NEVE SA, La Courneuve, Seine (capital Ff 8,100,000) which is controlled 69.1% by SATAM - SA POUR TOUS APPAREILLAGES MECANIQUES, Paris.

TRANSPORT

** The Dutch transport company, REDERIJ WEST-FRIESLAND SMITS NV, Amsterdam, is now controlled by the American road transport firm DENVER CHICAGO TRUCKING CO of Denver, Colorado, with the FIAT SpA group of Turin as minority shareholders. The Dutch firm was owned by the Smits family. The British group UNITED TRANSPORT CO LTD, Chepstow, Monmouthshire, was a minority shareholder through its subsidiary BULWARK TRANSPORT LTD (see No. 237).

The Dutch company heads a number of European long-distance transport companies with many branches: WEST-FRIESLAND EUROTRANSPORT NV, Antwerp, Belgium; WEST-FRIESLAND EUROTRANSPORT Sarl, Gennevilliers, Hauts-de-Seine, France; EUROTRANSPORT WEST-FRIESLAND LTD, London; and WEST-FRIESLAND EUROTRANSPORT GmbH, Frankfurt, West Germany. The Dutch firm also has offices in Italy (Milan) and Denmark (Copenhagen).

VARIOUS

** CIE DE PONT A MOUSSON SA, CIE FINANCIERE DE SUEZ SA, and STE LYONNAISE DES EAUX & DE L'ECLAIRAGE SA are taking 53%, 27% and 20% respectively in STE DE PLACEMENT & DE PARTICIPATION, which is to take about 14.8% in TUNZINI SA, Paris, whose capital will shortly be raised by Ff 7.5 million to Ff 16.91 million. The three new shareholders in Tunzini hold 25%, 16% and about 12% respectively in AMELIORAIR SA. Tunzini and Ameliorair together with form a group of international consequence in the aircraft and thermodynamic fields.

** The Belgian footwear merchant, DE BRUYN & CO NV, Aalst, has set up a Cologne sales subsidiary DE BRUYN & CO OHG SCHUHE. The partners in the new company are Messrs. Octaaf, Benoit and Pedro De Bruyn, of Aalst, M. J. Eichenseer, Antwerp, and Herr Heinz Wiese, Cologne.

** MECANORMA - AGENCE CRAFTINT FRANCE SA (see No. 228 - capital Ff 200,000), which belongs to MM. E. & I. Tordjmann, Paris, is backing SIPAG - STE INDUSTRIELLE DE PRODUITS POUR ARTS GRAPHIQUES Sarl, Maurepas, Yvelines (capital Ff 40,000), which M. E. Tordjmann will manage.

Mecanorma (formerly ETS ROBERT GONOD Sarl) sells printing materials for THE CRAFTINT MANUFACTURING CO, Cleveland, Ohio; FLEXIGRAPH INC, Morristown, New Jersey; GRIFFIN MANUFACTURING INC, Webster, USA; BOURGES COLOR CORP, New York; KEUFFEL & ESSER CO, Hoboken, New Jersey; and ADOLF EHINGER, EBA-MASCHINEN FABRIK, Balingen, Württemberg. It recently gained 55% control of POLYVROOM NV, Sassenheim, the Dutch manufacturer of "Petterpress"; it also has branches (see No. 228) at Milan, directed by Sig. R. Arditti, and Brussels, directed by M. Castermano.

** FINMECCANICA SpA (IRI group) has made an agreement with BRISTOL AEROPLANE PLASTICS LTD, Bristol, and STA MERCANTILE ITALO-BRITTANICA SpA, Rome (which represents BRISTOL AEROPLANE CO LTD in Italy - see No. 302) to sell on the Italian market their synthetic resins reinforced with glass fibre and their reinforced plastics.

Bristol Aeroplane Plastics was formerly a subsidiary of Bristol Aeroplane, but for the last year and a half it has been controlled by BRISTOL-BTR (GRP) LTD; Sir Walter Worboys is chairman and it is owned 50-50 by Bristol Aeroplane and BTR INDUSTRIES LTD, London (see No. 241).

** The Dutch wholesale fuel firm STEENKOLENGROOTHANDEL HET ZUIDEN NV, Kerkrade, which controls the Belgian coal company NOEL SA, Malmedy, jointly with STEENKOLENGROOTHANDEL PLOUM NV, Heerlen (see No. 240), has turned it into S.A. PLOUM - IMPORTATION & EXPORTATION and moved its headquarters to Brussels. Two months before Noel was formed, the same group set up a sales subsidiary at Malmedy with COMPTOIR CHARBONNIER DE MALMEDY SA (capital Bf 250,000), directed by M. Hermann Noël, a minority shareholder in the new firm S.A. Ploum.

** ERICH ROHDE KG SCHUHFABRIKEN, Ziegenhain, Kassel, and its Austrian subsidiary, ROHDE SCHUH, Hallein, Salzburg, are joining 50-50 to form ERICH ROHDE NEDERLAND NV (capital Fl 100,000). The new company will make and sell footwear and will be directed by Herr F.O. Schenk and Herr M. Hofstra.

The German company has factories at Ziegenhain and Immichenhain, where about 450 people are employed making light shoes, sandals and slippers.

** The French consulting engineers PIERRE SADOC & ASSOCIES Sarl, Paris, headed by M. Pierre Sadoc and M. Edouard Boin, have formed a Brussels subsidiary, SA BELGE D'INGENIEURS CONSEILS PIERRE SADOC & ASSOCIES-BENELUX, which will undertake research, investigation, management, consultancy, organization and methods. The president is M. Pierre Sadoc, and its capital is Ff 200,000. Like its Paris parent company, which was formed in October 1963, with a capital of Ff 50,000, it will organize lectures and study groups.