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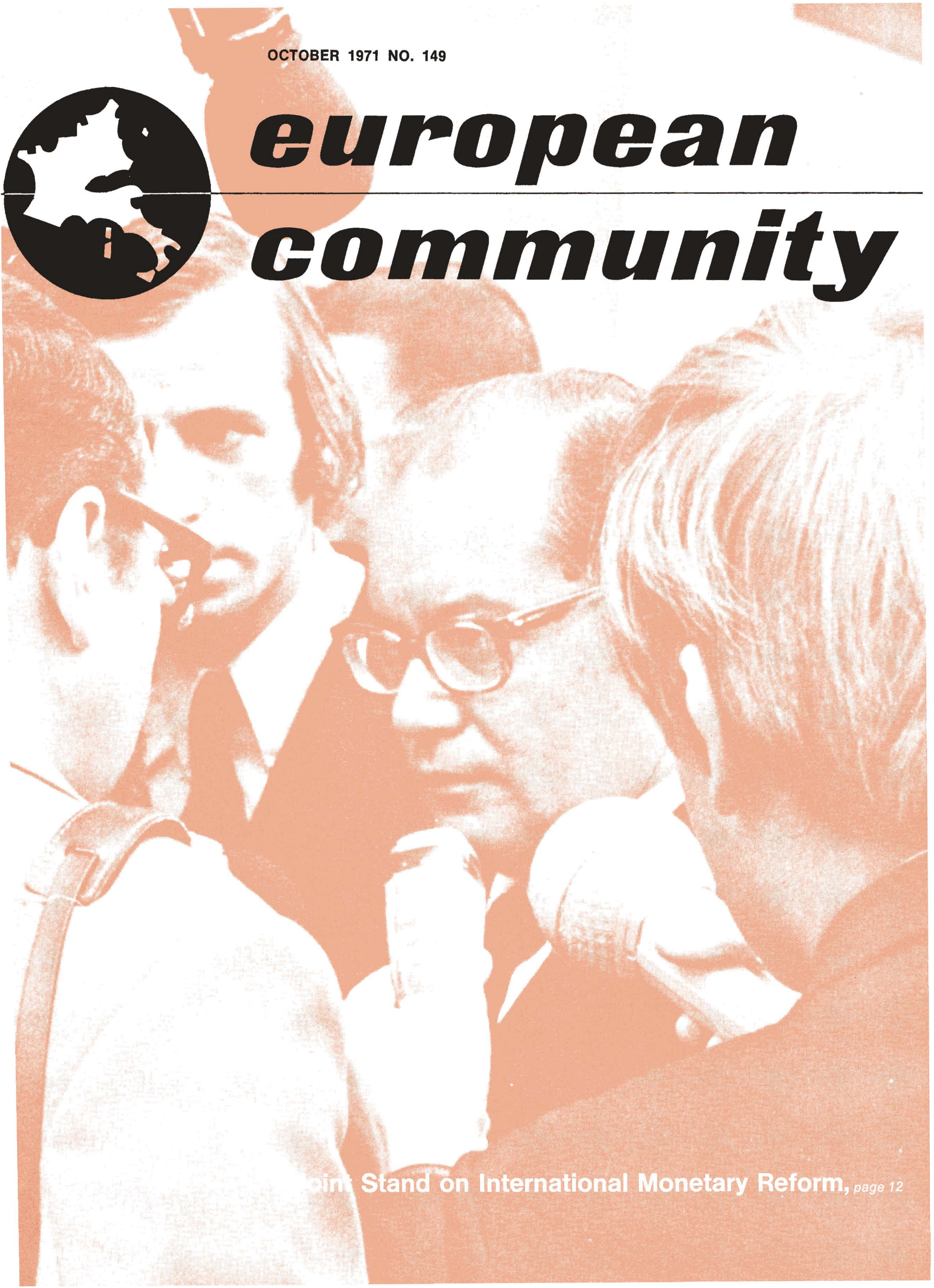

Joint Stand on International Monetary Reform, page 12

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COVER: Reporters question Commission President Franco Maria Malfatti after the September 13 Council meeting at which the Six developed a joint position on international monetary reform.

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Community News

Common Market Commission Protests NEP Tax Credit

The President of the Commission of the European Communities, Franco Maria Malfatti on October 6 delivered a "note verbale" to Ambassador J. Robert Schaetzel, chief of the US Mission to the European Communities, protesting the tax credit bill and special tax treatment for Domestic International Sales Corporations (DISC).

The Commission expressed the Community's concern "over the discriminatory aspects of the tax credit bill and the export subsidy effect which would result from granting a favorable tax status to DISC companies." The Community believes that the tax credit bill, limiting investment tax credit to goods of American origin, is incompatible with the General Agreement on Tariffs and Trade and would jeopardize benefits of tariff concessions already granted by the United States. The retroactive provisions of the bill will immediately affect Community exports of equipment which amounted to $1 billion in 1970.

The effect of the measure, together with the surtax and the modifications in the exchange rates of certain currencies, would practically paralyze Community exports of machinery to the United States.

DISC, an Export Subsidy

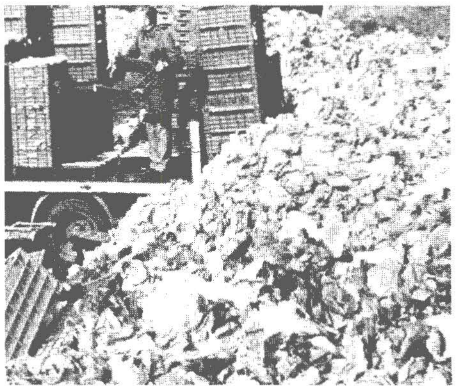
Of the DISC draft bill, the Commission commented that it would "artificially favor exports" by lowering manufacturing costs through "very considerable exemptions from direct taxes on profits. This exemption would be incompatible with US obligations under GATT in the area of export subsidies and "would entail the risk of serious disturbances in international competition."

The Community reserved "the right to adopt measures to safeguard its legitimate interests, should the occasion arise." In the meantime, it appealed to the US Government to reexamine both bills, "particularly in the light of their unfavorable effects on international trade and the dangers of a chain reaction they might provoke."

Farm Market Shaken by Monetary Disorders

The European Communities Council of Ministers, meeting in Brussels on September 27-28, reaffirmed the principles on which the common farm policy is based but proposed no solutions to end the disunity created by the present monetary disturbances.

The Council said that the current situation in which two member countries' currencies are floating has not caused market disturbances. Nevertheless, the Council expressed the fear that if allowed to continue too long, the system of adjusting price differences at the border could eventually lead to difficulties in external as well as internal trade.



To dramatize their demand for higher prices, Belgian farmers in Louvain destroyed their cabbage crop.

Under the circumstances, the Council decided to put off decisions on prices for the 1972/73 marketing year so that the elements necessary for defining a fair policy on farm income could be considered. It plans to keep studying the current economic plight of farmers and may ask the Commission to make new price proposals after the European Parliament gives its opinion, at its November 18-20 session.

Rising Concern Over US Economic Measures

The consequences of the US economic and monetary measures in the social field were one of the main topics of discussion during the third meeting of the European Community's Standing Committee on Employment, on October 5.

The Committee, which was founded last year to involve both labor and management in the process of formulating proposals, met in Brussels under the chairmanship of Carlo Donat Cattin, Minister of Labor and National Insurance of Italy.

Commissioner Albert Coppé reported to the Committee on possible repercussions of the US monetary and trade crisis on employment in the Community. These measures, resulting in higher competitiveness of US products on the world market, could reduce industrial employment by as much as 1 per cent (300,000 jobs), Mr. Coppé said. He stressed international economic interdependence and called on Europeans to help solve international monetary problems in a spirit of "world solidarity."

Floating Currency Rule for Customs Officers

How do officials work out the customs value of a Japanese camera while the yen floats?

The Commission has passed a regulation to erase uncertainties about the value of imports when a country's currency fluctuates outside the limits set by the International Monetary Fund. Officials are to use the most recent rate and the most representative selling rate in the member country where the customs value is being assessed.

President Malfatti on Parliamentary Power

The power of the purse is not sufficient to convert the European Parliament from a basically consultative organization into a viable legislative body, contends Commission President Franco Maria Malfatti.

As a prelude to rectifying this situation, President Malfatti told the Parliament's Political Committee, on October 6, that he had appointed a panel of experts to study the Parliament's role in the Community. The panel, consisting of independent constitutional lawyers from both member and applicant countries, will have six months to complete its study.

The panel will be asked to examine the problems arising from an envisaged strengthening of the Parliament's control over an autonomous Community budget (hoped for by 1978). The questions to be considered include what form the control should take, what other legislative powers the Parliament should assume, and how they will affect its relationship with the other Community institutions. The suggestions should be the basis for a Commission report to the Parliament next spring.

Competition Violation Costs Sugar Firm $4000

Belgium's leading sugar refiner, S.A. Raffinerie Tirlemontoise, has been fined $4,000 for failing to give the Commission of the European Communities adequate information on its trade practices, it was announced in Brussels on September 16.

The Communities' competition rules allow the Commission to impose fines of up to $5,000 on companies giving false or inadequate information. Tirlemont, although entitled to contest the Commission's decision before the Community Court of Justice in Luxembourg, has decided not to do so.

Barre Calls for Dollar Devaluation

Raymond Barre, Vice President of the European Communities Commission, recently defended Community policy statements calling for devaluation of the dollar. He said that the United States was morally, politically, and economically obligated to take action.

Speaking before the European Parliament on September 22, Mr. Barre and four other members of the Community executive called for strength through solidarity in facing difficulties posed by the current monetary crisis.

Referring to a policy position adopted by the Council of Ministers on September 13 advocating parity realignment of industrialized countries' currencies, including the US dollar, Mr. Barre declared that:

- Every country, however powerful, has a moral obligation to recognize the rules and responsibilities of membership in the international community.
- Citizens in other countries object to shouldering burdens which are not of their own creation, making revaluation a politically sensitive policy. Thus, the Community questions why it should float its currencies upward without an accompanying devaluation by the United States.
- A country whose balance of payments is in fundamental disequilibrium and whose currency is recognized as overvalued has an economic obligation to change its own parity.

Sacrifices by All

Mr. Barre said that it would be unrealistic to think that the reordering of international monetary relations, after so many years of disequilibrium, could be achieved without sacrifices from everyone, and he stressed that the United States should share in those sacrifices.

"I am sure this argument will not be overlooked by the American people, who have always shown great respect for the fundamental values on which international order depends," he said.

Mr. Barre emphasized that the Community's position was in no way inspired by animosity toward the United States, "... toward which Europe feels friendship and gratitude." Neither does the Community wish to isolate the United States, he said. On the contrary, it hopes to work with the United States to find a solution "... which will be inspired by a spirit of international cooperation."

Turning towards intra-Community affairs, Mr. Barre declared that monetary accord among the Six could help promote international settlement of the monetary crisis. He termed three elements "necessary and inseparable" if fixed exchange rates were to be established between member countries: realistic exchange rates; some flexibility toward third countries; and effective instruments to control speculative capital flows.

Mario Ferrari-Aggradi, president of the Council of Ministers, also spoke before the Parliament and stressed the need for full European participation in solving current monetary difficulties. Although he noted that a united Community stand would require sacrifices and the renunciation of divergent national policies, he said that any other alternative would have severe consequences for the Common Market, the world's leading trade power.

Agreeing with his Council colleague, Franco Maria Malfatti, President of the European Commission, said that the Commission would vehemently oppose any attitude of "benign indifference" toward the dangerous situation facing the Community. He argued that if Europe could not reach political agreement, the present situation would worsen; it would be practically impossible to react constructively to current and future Community problems.

"It is time," he said, "Neither for doctrinal disputes nor sterile polemics, but rather for courage and political action."

Mr. Malfatti informed the Parliament that the Commission had sent a letter to member states' governments suggesting that the Council examine whether the program, timetable and instruments for economic and monetary union should be revised to adapt to the new circumstances. He said the examination would take place in preparation for a Community "summit" meeting, after the situation within the Community returns to normal, and the United Kingdom, Ireland, Denmark and Norway have signed the accession treaties.

Disorder in Agriculture

Sicco L. Mansholt, Commission Vice President in charge of agriculture, underlined the difficulties presented by the divergent monetary policies of the member states to the common agricultural policy. He said that the solution does not lie in the agricultural field, but rather in economic and monetary union.

The shock of price adjustments, made necessary at borders by the monetary crisis, and economic uncertainty is driving farming organizations to ask their governments to introduce national defensive measures, Mr. Mansholt stated. He indicated that pressures were building for a return to national prices, which could mean the collapse of the Common Market in agriculture. Such a development, he warned, would be bound to snowball and might spill into other sectors of the economy.

Uncertainty in Trade

Ralf Dahrendorf, Commission member in charge of external trade, termed the trade aspects of the US decisions as disconcerting as the current monetary difficulties. Mr. Dahrendorf urged the Community not to react prematurely to the 10 per cent surcharge on exports to the United States, in order to avoid a trade war. He said that the Community must pursue efforts to coordinate its action at the international level to reestablish order as soon as possible in world trade relations.

Following speeches by members of the Community Executive, the Parliament opened discussion of the monetary crisis to enable spokesmen from the political groups and a number of other members of Parliament to criticize or support the Executive's policy decisions.

The Parliament adopted at the end of the debate a resolution expressing regret that Community institutions could not furnish a common response to current political and economic questions. The European Parliament "... supports the steps taken by the Commission and the Council for the urgent cessation of temporary measures taken by certain countries and for a rapid return to free trade ..." the resolution stated.

In other business, the Parliament adopted without debate a report made on the coordination of member states' legislation on measurement apparatus for liquids other than water. The Parliament also decided to study the European law on migrant workers and to base discussion on a report to be elaborated by the committee of social affairs and public health.

Council Approves 1972 EC Budget

The European Community's 1972 budget of $4.1 billion was approved by the Council of Ministers on September 22. It represents an increase of nearly 5 per cent over the 1971 budget.

With the 1972 budget, newly simplified procedures are being applied for the first time, and the Community is receiving some financial resources of its own. This system will be introduced gradually between 1971 and the end of 1977. By 1975, the budget will be financed entirely by Community resources. Instead of contributions from national budgets, the Community will receive levies on imported agricultural products and an increasing portion of customs duties. After 1975, additional funds will come from an as yet unspecified portion of the common turnover tax on the value added at each stage of production and distribution (TVA).

If the TVA has not been instituted in all member states, the remaining members' contribution will be calculated as a percentage of their gross national product (GNP) as compared to that for the Community as a whole.

Now the 1972 draft budget goes to the European Parliament for approval. If it is not modified, it will become law in 45 days.

Main Elements

- The European Agricultural Guidance and Guarantee Fund would receive $3.5 billion. Of this amount $2.66 billion would be used for price support and $827.5 million would be used for investments to improve efficiency and structure.
- The European Social Fund would receive $105 million to be used for workers whose skills and jobs become obsolescent as a result of new technology.
- Food Aid allocations amounted to $36.8 million.

Guidelines Drawn for 1972 National Budgets

To guide member states in coordinating their national economic and budgetary policies, the Commission, on September 14, released its first annual report on the European Community's short-term economic outlook.

Such a report was requested in the Council's February 1971 resolution on the first moves toward economic and monetary union. Earlier calls for slowing down increases in public expenditures and for tightening control over price increases were repeated in this report.

After discussion and approval by the European Parliament, the report, possibly with amendments, will be sent to the Council of Ministers for approval and forwarding to the economic officials in the six capitals. Their budgetary proposals should comply with the Community guidelines which have been drawn in such a way as to make the national budgets compatible with each other and to assure economic cohesion between the member countries.

New Building for Council

The Belgian Government is to construct a new building in Brussels for the Council of Ministers and its secretariat, next to the Berlaimont Building, the Commission's headquarters.

The new building, planned for a ten-nation Community, should be ready by 1973. The Council's current headquarters are on rue Ravenstein, in the city center.

Euratom Needs $145 Million for Research

The European Atomic Energy Community (Euratom) would receive $145 million for a three-year research program under a proposal made by the Commission of the European Communities in Brussels on October 1.

If passed by the Council of Ministers, this would be Euratom's first new program since 1968, when the Council, departing from precedent, began enacting yearly instead of multi-annual programs. It would also be the first program extending to non-nuclear research.

Non-Nuclear Research Included

The program consists of:

- "direct action" for projects to be executed in the Community's Joint Research Center (JRC)
- "indirect action" for projects partially or wholly financed by the Community but executed under outside contract. The budget provides $30 million for this work.

In the Commission's view, nuclear technology has developed to the point where industry should assume responsibility for development. Thus, from now on, the JRC will concentrate on providing services to the Community, doing basic research in the nuclear and other sectors, and training scientists.

New Start Urged For Common Transport Policy

More than 13 years after the establishment of the Common Market, its transport system is anything but common.

Disparities in national transport regulations still affect competitive conditions, according to the Commission of the European Communities. In its September 14 memorandum, written in preparation for a meeting of the Council of Transport Ministers this October, the Commission again stressed the importance of a common transport network to meet the needs of the Community's rapidly expanding internal trade.

A Totality Without Parts

On June 22, 1965, the Council of Ministers agreed on the broad lines of a common policy for rail, road, and inland-water transport. Since then, however, few details have been worked out. To solve the existing impasse, the Commission would set the following priorities for harmonization:

- improved access to jobs connected with transportation
- load control in national and international road transport
- load control in transport by waterways
- cost and conditions of transport.

Recommendations for a common rates system for using infrastructures as well as a 15-year timetable to enforce the common transport system were also included in the Commission's memorandum.

The Cost of Preserving Our Environment

Information on the member states' expenses for protecting or improving the environment is being gathered by the Commission of European Communities.

In reply to a question from Adriaan Oele, Dutch Socialist member of the European Parliament, the Commission stated on September 24 that it participated in a study undertaken by the Organization for Economic Cooperation and Development on the estimated costs of the anti-pollution fight.

The Commission is also expanding its efforts to bring together representatives from member states over this question. It has stressed the need for close cooperation to ensure the preservation and improvement of the environment.

State Department Forms European Affairs Council

The growing importance of European-American relations was highlighted last month by the formation of an Advisory Council on European Affairs.

The Council, whose creation was announced by the State Department on September 2, will consist of 27 civilian specialists from outside Government. It will advise the Department of State and the Administration on a broad range of foreign policy matters, focusing on US relations in Europe. It is hoped that the Council will facilitate the exchange of views about existing policies toward Europe and will explore and initiate new possibilities for improved relations.

Common Rules for Rulers

The Common Market Commission wants the member states to harmonize laws on rulers used professionally, for example in surveying, measuring the depth of liquids, or garment-making.

Technical specifications for manufacturing rulers and checking their accuracy now vary in different parts of the Community. The Commission's July 28 draft directive to correct this discrepancy is part of a broad Community program to harmonize legislation in the Six.

New Approaches Sought to Industrial Society

The conditions of human and industrial development in the European Community and alternatives for future growth will be examined at a conference scheduled for next spring.

The conference, entitled "Industry and Society in the Community," will take place from April 20-22, 1972, in Venice, Italy. Participants will be invited from Community institutions, national governments, representative Community bodies, social organizations, and universities. A total of 370 participants is expected.

The topics proposed for discussion center around man's social and industrial environment, future options for balanced industrial growth without endangering the quality of human life, the Community's international role in technological development, the evolution of multinational societies, and the promotion of industry in developing countries.

Malfatti Talks With Officials in Canada

The effects of US President Richard M. Nixon's new economic policy and closer links between Canada and the European Community were the two main topics discussed during Commission President Franco Maria Malfatti's official visit to Canada from September 14-17.

During his visit, Mr. Malfatti met with Canadian Prime Minister Pierre Elliott Trudeau; Secretary of State for External Affairs Mitchell Sharp; Minister for Industry, Trade and Commerce Jean-Luc Pépin, and other Canadian officials. The Commission President also met with the Community members' Ambassadors to Ottawa.

US Measures Hurt Canadian Economy

According to Canada, its entire economic philosophy has become questionable as a result of the US economic measures. Canada is now more interested than ever in diversifying its trade and in securing a market in Europe for Canadian manufactured goods.

As a means of strengthening ties with the Community, Canada proposed periodic meetings at the ministerial level. President Malfatti suggested that the fastest and easiest way of initiating regular contacts would be according to the formula the Community uses for the United States. Twice a year the Commissioner responsible for trade policy and the US Deputy Under Secretary

Commission President Franco Maria Malfatti

of State for Economic Affairs meet, alternately in Washington and Brussels. Although informal, these meetings are considered politically significant, President Malfatti emphasized.

Members of the Canadian Cabinet are to discuss these proposed meetings before giving the Community an answer.

Common Regional Policy Needed in Enlarged EC

A common regional policy is necessary to supplement national efforts, Albert Borschette, member of the European Communities Commission, told the Annual Congress of the Association of European Journalists at Bristol September 17.

In an enlarged Community it is unlikely that a single, detailed, regional policy could ever apply to every region, because each region often required treatment geared to its individual needs. "It is primarily up to the national governments to produce the ideas. . . . It is not the Commission's job to interfere with the national government's efforts towards this end, but the Commission does think a common regional policy should supplement national efforts," Mr. Borschette said.

He added that the increased prosperity of the regions since 1958 could not be attributed only or mainly to Community regional policies, though they had undoubtedly helped. A great deal was owed to the beneficial effects of the Common Market as a whole.

He said, "Certainly much remains to be done. . . . I do not pretend that there is at present a coherent regional policy for the Community. The Council of Ministers has stated that there should be one. But its elaboration remains to be completed. I have no doubt that we shall be able to benefit in this field fully from the experience of the applicant countries, and of the United Kingdom Government in particular."

Mediterranean Concerned About Enlargement

The European Community Commission reported to the Council in September that Community enlargements may necessitate adjustments in the agreements between the Common Market and seven Mediterranean countries: Greece, Turkey, Morocco, Tunisia, Malta, Spain, and Israel.

These countries, linked to the Common Market by either association or preferential agreements, have expressed concern about the possible deterioration of their positions as a result of the new economic structure of an enlarged Community. After discussing the situation with a delegation from each of these countries, the Commission concluded that their concerns were ". . . not without foundation."

Mediterranean exports of some agricultural products which candidate countries import at low or zero level tariffs may be adversely affected after the new members begin to apply some higher Common Market tariffs, the Commission reported. The Commission stressed that exports essential to the development of the Mediterranean countries find a large market in the candidate countries. "It is significant to note that the proportion of their exports to the Ten covered by the agreements is on the whole lower than the proportion of their exports to the Six," the Commission said.

At the same time, markets for their products may shrink because of the stiff competition from the Yaoundé countries and probably the non-candidate European Free Trade Association (EFTA) countries, the report said.

Original Balance Sought

In view of these circumstances, the Commission considered it appropriate to find solutions both in indstrial and agricultural areas which would reestablish balance in the Mediterranean agreements and avoid grievous consequences resulting from enlargement.

In the tariff field, the Commission proposed that, in cases where the preferential duties accorded to the Mediterranean countries are different from those in the candidate countries, the latter should gradually align their duties with the preferential CET by the same amounts and according to the same timetable as those agreed upon for reductions of tariffs vis-à-vis the Community.

The Mediterannean countries as well as the candidate countries also asked for a readjustment of the volume of quotas to correspond with the size of the enlarged Common Market. The Commission did not foresee any difficulties in making reasonable adjustments in quotas.

The Commission stated that negotiations with the Mediterranean countries on all these matters should be started as soon as possible. Transitional machinery and alterations to the agreements should be agreed upon before the end of the membership negotiations, or at the latest before the accession treaties come into effect, the Commission recommended.

Regional Aids Disputed

German, Italian, and Belgian regional assistance conflict with the Common Market Treaty ban on state aids, according to the Commission of the European Communities.

State aids that distort competition within the Community are illegal, unless the Council of Ministers unanimously exempts them on the grounds that the areas in question are underdeveloped and need special help.

The Commission has challenged:

- Germany's state aids to industry in the Ruhr Valley
- Italy's aids to the autonomous region of Friuli Venezia Giulia bordering on Austria and Yugoslavia and site of the port of Trieste
- Belgium's regional aid program under its new industrial expansion law. This program is designed to alleviate economic causes of the "linguistic dispute" between the French-speaking south, faced with run-down traditional industries, and the Flemish speaking north, site of most new technology-oriented industries.

British Labour Party Executive Objects to Terms of Entry

The British Labour Party's national executive committee in September issued a document stating its reasons for opposing the United Kingdom's entry into the European Communities. It said it was "neither anti-Common Market nor, even less, anti-Europe."

In a 13,000-word background paper for delegates to this year's party conference in Brighton, the committee said that its decision to oppose entry into the EC was based solely on dissatisfaction with the terms negotiated and the Government's domestic policies.

The national executive said that Britain had accepted two crucial aspects of entry without negotiation: the common agricultural policy and the common turnover tax on the value-added (TVA) to goods at each stage of production and distribution. It also criticized the British Government for failing "to project a cost of the terms [to entry] to the British balance of payments" and demanded further information on regional policy, TVA, capital movements, coal and steel, and private sterling balances.

Some Labourites Support Entry

Taking exception to the national executive committee's statement, the Labour Committee for Europe, a group of Labour Party members favoring Common Market entry, said that any member of the Party could express a personal objection to EC membership. However, "to say that this was the view expressed by the Labour Government is to try to turn the pages back. Both these aspects of the Common Market were accepted as disadvantageous. Both were recognized as inevitable."

The Labour Committee for Europe said that the terms of entry, though negotiated by a Conservative Government, should not be branded as "Tory terms" to be automatically opposed by Labour Party members. These are terms that can honorably be supported by Socialists.

It saw no problem about fitting TVA into a total system of taxation and welfare benefits "that would produce an overall Socialist result."

Real difficulties would face the country outside the EC: "The impact on our exports of the American 10 per cent surcharge makes nonsense of any implication that if we stay out, we can expect to continue to enjoy the security of our present world trading arrangements."

The Committee stated that membership now provided the best hope of reviving the economy:

"What we want is the European rate of economic expansion, with added national income spent according to Labour's priorities. And there is no reason why we should not get it."

CBI "Poll" on Entry Shows Industry Eager

British industry is eagerly anticipating the dynamic economic effects of the United Kingdom's entry into the Common Market, according to Campbell Adamson, the Director-General of the Confederation of British Industry.

Invited to send the CBI their views in writing, 975 company heads were for, and 55 were against, entry. CBI is Britain's largest management association.

British Liberal Party Endorses Entry Terms

The British Liberal Party assembly on September 17 carried by a substantial majority a resolution endorsing Britain's entry to the Community on the terms negotiated.

The assembly, meeting in Scarborough, also carried a resolution urging the British Government to work within the Community to develop a common company law, monetary union and a common currency, a common foreign policy for reconciliation with Eastern Europe, and a common policy for the conservation of natural resources.

Rippon to Handle Entry Legislation

Geoffrey Rippon, Britain's chief negotiator with the Community, in September took up the new post of coordinator of the parliamentary work involved in joining the Community. He will prepare and present the necessary legislation to the Parliament, if the House of Common approves the entry terms on October 28.

44% Favor Entry

More Britons favor the United Kingdom's joining the European Community than oppose the move, according to a public opinion poll done in September by Opinion Research Center for the European Movement. It showed 44 per cent in favor of joining the EC, 41 per cent against, and 14 per cent "undecided." A sample of 1,072 people was questioned.

The previous ORC poll published (at the end of August showed 47 per cent for joining and 45 per cent against. A substantial majority of men were in favor of joining (54 per cent, for 41 per cent against), while more women were against joining than in favor (41 per cent for, 48 per cent against). There were majorities in favor in all age-groups except the over-65's. Opposition to entry was strongest among the lowest income groups, and in Scotland and Wales.

Correction

In the June 1971 issue, page 19, column one, second subhead, the first two lines should read: "As in Britain, the political argument for membership is backed by the economic one. As Denmark's accession to industrial status . . ."

British Labor Unions Voted Against EC Entry

Britain's Trades Union Congress on September 8 voted against British entry into the European Community and demanded a general election before any decision was taken.

The vote came at the annual conference in Blackpool of the TUC, whose member unions represent about 10 million workers. By a show of hands, delegates approved a resolution rejecting entry on the terms obtained by the Conservative Government. The Congress turned down a resolution by the Clerical and Administrative Workers' Union urging Britain to join.

Malfatti's Summit Call

Commission President Franco Maria Malfatti in September proposed a summit meeting of the European Community members' and four applicant Nations' prime ministers.

The President sent a memorandum to the six current member countries suggesting that their own prime ministers should meet with the British, Irish, Danish, and Norwegian prime ministers at the end of this year or early in 1972.

They should discuss ways of tightening political and economic links between themselves, and try to agree on joint fiscal and monetary policies, he said.

Mauritius Asks to Join Yaounde Association

Mauritius, a member of the British Commonwealth and former colony of Portugal, the Netherlands, and France, on September 21 asked to join the Yaoundé Association of 18 African countries with the European Communities.

Mauritius, a small island (720 square miles) in the Indian Ocean, became independent of the United Kingdom in March 1968. Its economy is based on production of cane sugar which accounts for 96 per cent of its exports.

Drop in Population Causes Concern

Birthrates, mortality, migration problems, and related topics were discussed at the Second Demographic Conference of the Council of Europe, which was held from August 31 to September 7 in Strasbourg.

Representatives from 26 countries and 20 international organizations met to discuss Europe's principal population problems today. The conference, presided over by Jean Bourgeois-Pichat, Director of the National Institute of Demographic Studies in Paris, dealt mainly with population trends and their economic and social consequences. The creation of a standing committee was urged, to observe population trends and, if necessary, to make practical recommendations.

An Aging Society

Despite a lack of research and international cooperation on demographic issues, the Conference adopted several recommendations which were transmitted to the Council of Europe and which will be forwarded to member governments and international organizations.

The first of these recommendations dealt with the decline in birth rates and the growing number of old people. The drop in birth rates was attributed to changes in the socioeconomic structure (industrialization and urbanization). Proposals were made to make life easier for the aged by guaranteeing income, improving medical and social services, and alleviating isolation. Thought was also given to ways of involving healthy aged persons in social, economic, and cultural life.

Social Politics

A continued drop in birth rates could in the long-run deplete the population of certain European countries. A detailed study of birth rates and their consequences was recommended.

The conference declared its support of

- the fundamental right of parents to determine the number of their children
- working mothers not being put at a disadvantage in promotions and salaries
- keeping mothers in the labor force, by offering them interesting positions.

Problems of Migration

Migration, in spite of economic advantages for both country of origin and recipient country, creates many problems. In order to keep migration within reasonable limits, its causes have to be studied more closely.

The phenomenon of migration is today widespread in Europe. The migrant worker's living conditions, social status, acclimation, social security, and adjustment to separation from family have hardly been touched upon. Statistical figures on migratory movements are scarce, and no study has been made about the reintegration of migrant workers into the country of origin.

Mortality and Disease

According to Conference experts, the socioeconomic consequences of diseases have not received adequate attention. Inquiries should be made about interrupted pregnancies, infant mortality, and the implications of the earlier deaths of men relative to women. Certain diseases like cancer, mental sicknesses, accidents and cardio-vascular diseases should be studied more closely, along with the effects of the environment on health.

The conspicuous lack of information and statistics on all of the foregoing points was especially noted by the Conference. The governments were therefore asked to promote and coordinate basic research into the underlying causes so that knowledgeable political decisions could be made.

Cooperation Urged

Mr. Bourgeois-Pichat, in a closing press conference, commented on three positive aspects of the Conference:

- the collaboration between demographers and politicians (ministers and parliamentarians) in the search for solutions to demographic problems. He stressed the Council of Europe's potential role for carrying out solutions.
- the unique opportunity provided by the Conference to pool knowledge about demography and related subjects
- the large number of participants from non-member countries, especially Eastern Europe (such as Poland, Rumania, Bulgaria and Yugoslavia).

Textile Machinery Expo Rules Liberalized by EC

A revised multinational agreement on trade fairs and expositions has been approved by the European Communities Commission.

The agreement dealt with trade fairs organized by the European Committee of Textile Machinery Manufacturers (CEMATEX), representing producers in the Community countries (except Luxembourg), Great Britain, and Switzerland. The expositions are rotated among the member countries, although only the cities of Hanover, Milan, and Paris have adequate facilities. These expositions are the world's most important shows for textile machinery.

The original agreement prohibited participants from installing exhibits at any other West European fair during three years of the four-year agreement. As the Commission felt that this restriction unduly limited competition, CEMATEX decided to allow its members to have shows at other trade fairs during two years of the agreement. With this modification, the Commission approved the agreement on the grounds that the remaining restrictions were necessary for efficiency in the area of fairs and exhibits.

Confusion Cleared Up on Travellers' Allowances

The Commission of the European Communities has taken exception to the refusal by three member states to grant duty-free allowances to tourists returning home after an absence of less than 24 hours.

Answering a written question on October 5 from Alfred Califice, Belgian Christian Democratic member of the European Parliament, the Commission criticized the refusal by France, Belgium, and Luxembourg to allow anyone who had been outside his home country for less than 24 hours to take advantage of the duty-free travellers' allowance. In the May 1969 directive liberalizing travellers' allowances, "traveller" had purposely not been limited, the Commission said, although the member states were permitted to make other arrangements for "border traffic," such as workers who crossed national frontiers daily to get to their jobs in another member country.

All three countries were asked to stop applying this restrictive definition of a traveller, which France did on August 1. Belgium and Luxembourg, in a joint reply, asked for another month to prepare their answer.

In the meantime, to clear up this confusion, the Commission on July 30 sent to the Council of Ministers a draft definition of the term "border traffic." A journey beginning 10 kilometers from one national border and ending 10 kilometers on the other side would fall into this category, and import duties would be collected on merchandise carried in on such a journey.

Man and Environment: Threat of Nuclear Waste

Only the joint efforts of technology and science can prevent uncontrolled industrial development from bringing new dangers to the environment and the quality of life, according to Albert Coppé, member of the European Communities Commission.

Addressing an international symposium on radioecology in Rome on September 7, Mr. Coppé stressed the vital importance of nuclear power in meeting an industrial society's increasing energy needs. He added, however that nuclear energy poses two sorts of problems: in the location of plants and the disposal of radioactive waste. Economic considerations must not be allowed to override detriment to man and his environment.

Radioecology is a science which uses experience gained in nuclear research to prevent non-radioactive forms of pollution. The symposium was arranged by the Commission of the European Communities and the Italian National Committee for Atomic Energy.

Loan By EIB

A Loan of $8 million was granted on September 16 by the European Investment Bank to the N.V. Koninklijke Nederlandse Zoutindustrie (KNZ) of Hengelo, Province of Overijssel.

The loan was granted for a period of 12 years at 8.5 per cent interest per annum. It will be used to finance the building of new production facilities to increase the output of salt and chlorine. The new plants, to be built in near Delfziji, will alleviate structural difficulties and employment problems in the area. Dilfzijl's unemployment rate is twice as high as the rest of Holland's (2.9 per cent against 1.2 per cent). The project will create about 170 new jobs. From the beginning, particular care has been taken to protect the environment.

Uranium Imports Rise: Plutonium Imports Drop

The European Community's enriched uranium imports, mainly from the United States, amounted to more than 5,000 kg in 1970, a 54 per cent increase over 1969. Most of these imports were for use as fuel in nuclear power reactors within the Community.

Imports of plutonium, however, dropped sharply during the year. Imports from the United States and the United Kingdom fell from 169 kg in 1966 to 38.8 kg in 1970. This trend will probably continue with the development of fast breeder reactors which produce more fuel, in the form of plutonium, than they consume.

Car Noise Rules Went Into Effect October 1

Common Market rules to control car noises and exhaust fumes went into effect on October 1.

The rules were passed by the European Communities Council of Ministers on February 6 and March 20, 1970, respectively. So far, the Six have enacted ten directives outlining safety and other standards for cars and trucks.

The latest, adopted on July 26, setting uniform standards for dual-brakes, will come into force on October 1, 1974.

China: First Step to Common Trade Policy

The Community should start applying a common trade policy towards China and other Communist countries in Asia, according to the European Communities Commission.

Member states now apply some common measures in trade with the Soviet Union and Eastern Europe: "liberalization lists" specifying the East European and the Russian Products which may enter all six member states on a quota-free basis. Member states may not unilaterally reimpose quotas or other trade restrictions on these products.

As all member states, acting separately, have lifted restrictions on certain farm products and manufacturers from state-trading countries in Asia, the Commission wants these to be "listed," so that a Community decision would be needed to remove a product from the list. For China, 385 tariff headings are involved. For North Korea, North Vietnam, and Mongolia, 118 headings could be "listed."

The current liberalization list for Eastern Europe (Poland, Czechoslovakia, Bulgaria, Hungary, and Rumania) comprises 637 tariff headings; the Russian one, 473, and the list for Albania, 472 headings.

The Community has made a list of quota-free imports from the members of the General Agreement on Tariffs and Trade.

EIB Issues Bonds In Luxembourg And Germany

The European Investment Bank has issued two new series of bonds ιo help finance its normal lending operations.

These issues, floated in September, were underwritten by a consortia of commercial banks, led, respectively, by the Kredietbank S.A. Luxembourgeoise of Luxembourg, and the Deutsche Bank AG of Germany. Both are 15-year bonds redeemable at par, after a five year grace period, in 10 equal annual installments.

The offer price differs in the two countries: 98 per cent in Luxembourg and 100 per cent in Germany. The Luxembourg issue pays 7 per cent interest, while the German bonds earn 7.75 per cent.

New Appointment

Raymond Rifflet will succeed François Vinck on October 1 as the Director General for Social and Labor Affairs, it was announced on September 22 by the Commission of European Communities.

Mr. Rifflet has worked with the Commission since 1967 when he was appointed Chief Executive Assistant to Jean Rey, first a member of the Commission and later its President. For the past year, he was Principal adviser on social and labor matters to Albert Coppé, member of the Commission of European Communities.

His career has included various positions in the Belgian Government and appointments as a university professor. He has written many works and articles on social, economic, and political topics.

Toward A Common EC Installment Plan

The European Community may soon grow "on the installment plan."

Recognizing the importance of consumer credit for economic growth, the Commission of the European Community has initiated discussions among governmental experts from the Six to study possibilities for a Community regulation on the sale and financing of goods bought on the installment plan. Three such meetings have taken place since December 1969.

Consumer protection will be a main purpose of the regulation. It will also be designed to eliminate distortions which could arise from national differences in the field of consumer credit.

Beauty Knows No Bounds: Hairdressers on Move

A proposal by the European Common Market's Commission would largely eliminate restrictions on the movement of Community hairdressers from one member country to another. As an example, should a Brussels hair stylist wish to transfer his business to Paris, he could do so with a minimum of red tape.

If the Council of the European Community approves the Commission proposal, member states would have to recognize each other's hairdressers' exams and licenses as valid within their own territory.

The only exception, according to the proposal, would be in Italy where hairdressers are not required to take an exam. An Italian, however, wishing to practice in another country would be required to pass that country's exam.

The European Community has already taken similar steps in other professions.

The Month in Brief

For lack of space in the September issue, the calendar of events in July and August was held over.

JULY 1971

1 The second international Food Aid Convention and the Community's generalized tariff preferences for less-developed countries went into effect.

• Norway accepted arrangements for financing the Community's activities.

1-2 The Council of Finance Ministers met to discuss ways of controlling speculative capital flows.

1-5 Commissioner Albert Borschette made an official visit to the Congo (Kinshasa).

3 A decision was reached to consult Great Britain on all important questions to come before the Commission.

5-7 French President Georges Pompidou and German Chancellor Willy Brandt met in Bonn. The main points on the agenda for the meeting, under the Franco-German friendship pact, were the international monetary situation, the Berlin negotiations, and the enlargement of the Community.

5-8 Negotiations between the Community and Japan for a non-preferential trade agreement ended inconclusively.

5-9 The European Parliament met in Strasbourg, France.

12 Exploratory talks were held with Uruguay.

• Negotiations for enlargement were continued with the United Kingdom, Ireland, Denmark, and Norway. The main issue was the Community's common fisheries policy.

15 The members of the Benelux customs union (Belgium, Luxembourg, the Netherlands) and the USSR signed a trade agreement. It was the first time the USSR had publicly dealt with a multilateral economic unit.

19-20 The Council of Agricultural Ministers met.

22 The Community's Agreement on Trade and Technological Cooperation with Lebanon was extended for a year, retroactively to July 1.

26 The Council of Ministers met to prepare for enlargement negotiations with the United Kingdom and Norway the following day.

AUGUST 1971

15 President Richard M. Nixon announced his new economic policy, including a 10 per cent import surcharge and the end of dollar redemption in gold.

17 Most European money markets closed for a week .

17-18 The Commission met in emergency session to assess the impact on the Common Market of Nixon's announcements and to lay the basis for a common position on the part of the Six.

19-20 The Council of Ministers, failing to agree on a Community stand, "took note" of the floating and the two-tiered foreign exchange systems.

23 The Community's Central Bank Governors Committee met to discuss narrowing the margins on European currencies.

• The "Four Powers" reached agreement, after 26 years of negotiations, on access to West Berlin.

24 The General Agreement on Tariffs and Trade, in Geneva, said the US import surcharge was illegal.

24-31 Commissioner Albert Borschette made an official visit to Chile, Argentina, and Uruguay, and to the Latin American Free Trade Association headquarters.

30 Louis Armand, first President of the Commission of the European Atomic Energy Community died in Paris.

SEPTEMBER 1971

1 Harmonized export credit insurance provisions went into effect in the Community.

13 The European Communities Council of Ministers agreed on a common position for the annual meeting of the International Monetary Fund, in Washington, D.C., from September 27 to October 1 *(see page 12)*.

14 Membership negotiations continued with the United Kingdom.

14-17 Commission President Franco Maria Malfatti paid an official visit to Canada to discuss Canadian cooperation and international commercial relations *(see page 6)*.

15 Treasury Secretary John B. Connally explained the US position to the Group of Ten, meeting in London.

16 Indian Foreign Trade Minister Lalit N. Mishra, seeking general trade talks, met in Brussels with Common Market Commissioner Ralf Dahrendorf.

20 The European Communities Council of Ministers discussed problems of enlargement, the consequences of Nixon's measures, and the Community budget for 1972.

21 Membership negotiations continued with the United Kingdom.

22-23 The European Parliament met in Luxembourg.

27-28 The Council of Agricultural Ministers met in Brussels.

• Membership negotiations continued with Ireland, Denmark, Norway, and the United Kingdom.

30 Commissioner Jean-François Deniau paid an official visit to Norway.

Unity From Monetary Uncertainty

RAYMOND BARRE, *Vice President, Commission of the European Communities.*

The uncertainties that last May's monetary crisis caused within the European Community have been compounded by those which prompted President Richard M. Nixon's August 15 appearance on nation-wide television. As a result of the announcements that night, the Community's internal problems can no longer be separated from the new international economic and monetary context.

The US measures for redressing that country's balance of payments cause justifiable concern. They reverse the trade liberalization process that has been so patiently pursued since the Second World War and deal a severe blow to the operating rules of the international payments system.

From Every Country, a Just Contribution

The problems thus posed are considerable, but world economic and monetary order depends on their solution. For this reason, every country should make an equitable contribution to their solution. Having asked the United States to restore equilibrium to its balance of payments, we cannot refuse the consequences of US acquiescence. Order cannot be restored to international monetary relations, after years of unbalance, without sacrifices by every country.

Monetary parities will have to be realigned, including the dollar's for moral as well as economic and political reasons. Although this realignment is a prerequisite for returning to an orderly international monetary system, it cannot, by itself, bring about this result. Its efficacity will depend on the United States' and every other country's putting into effect domestic economic policies which contribute to the adjustment process of their balances of payments. It will also depend on arrangements to avoid the effects of massive international capital movements. Naturally, parity changes will not directly affect non-economic factors in the American deficit.

The extent and the complexity of current international problems rule out the possibility of a rapid settlement. This crisis reflects the profound change now at work in the international system of the past quarter of a century. There will be more difficult moments before lasting world equilibrium can be established.

Incentive to Unity of EC

This outlook should give the Community a powerful incentive to seek solutions to its members' monetary problems. Intra-Community monetary difficulties, although not caused by the US decisions in August since they began last May, are nonetheless aggravated by the international crisis. Thus far, the Community has not done badly at adapting to monetary uncertainty, but if it persists too long, serious damage could result. The smooth functioning of the Common Market would be upset, jeopardizing the process of "irreversibility" which for the past 13 years assured the Community's development.

Prerequisites to EC Stability

For a satisfactory and lasting improvement in intra-Community foreign exchange dealings, there are three prerequisites.

- The Community members' new exchange rates must be realistically related, one to the other.

Commission Vice President Raymond Barre

- Some flexibility must be displayed towards the outside world.
- Every member state must have effective instruments for carrying out a concerted policy against excessive capital inflows.

There would be no point denying the gravity of the current crisis, both within the Community and throughout the world. The nature of this crisis has given the European countries an important role in seeking solutions. If they join forces to do so, a strengthened and more cohesive Community will emerge from this crisis.

Picking up the Pieces

JOINT EC STAND ON MONETARY REFORM TO EASE SOLUTIONS

For the first time, the six members of the European Community presented a common front on the major problems involved in rebuilding the international economic system. The setting was the annual meeting of the International Monetary Fund and the World Bank Group.

Delegates to the week-long meeting in Washington, from September 27 to October 1, calmly faced the urgent task of restoring order to the international economic and monetary system. After a decade of living from crisis to crisis, the system fell apart August 15. On that date, President Richard M. Nixon announced that the United States had stopped redeeming dollars for gold; the dollar would float in foreign exchange markets until it had found its proper value, and a 10 per cent import surcharge would be imposed. The post-war system of free trade and fixed exchange rates for all currencies, denominated in terms of the US dollar, had ended. Studies made in the last five years, of the international adjustment process and of widening the bands within which the values of currencies were allowed to fluctuate, suddenly became timely.

"Critical State"

IMF Managing Director Pierre Paul Schweitzer summed up the events that had brought the international monetary system to so "critical [a] state." The international adjustment process had ceased to force a nation in balance-of-payments disequilibrium to take appropriate domestic action to protect its reserves or to retain its competitive position in world markets. In addition, international liquidity increased, as the US balance of payments deficit grew. The instability of this situation was compounded in May when large short-term capital flows from the United States to Europe, "precipitated by the divergence of cyclical conditions and monetary policies and swollen by speculative forces" were superimposed on the unsatisfactory international payments situation of "continuing US 'basic' deficits and of counterpart surpluses spread rather widely among other major countries." Neither capital controls nor the emergence of "cyclical weakness" in the United States had curbed the outflow of dollars.

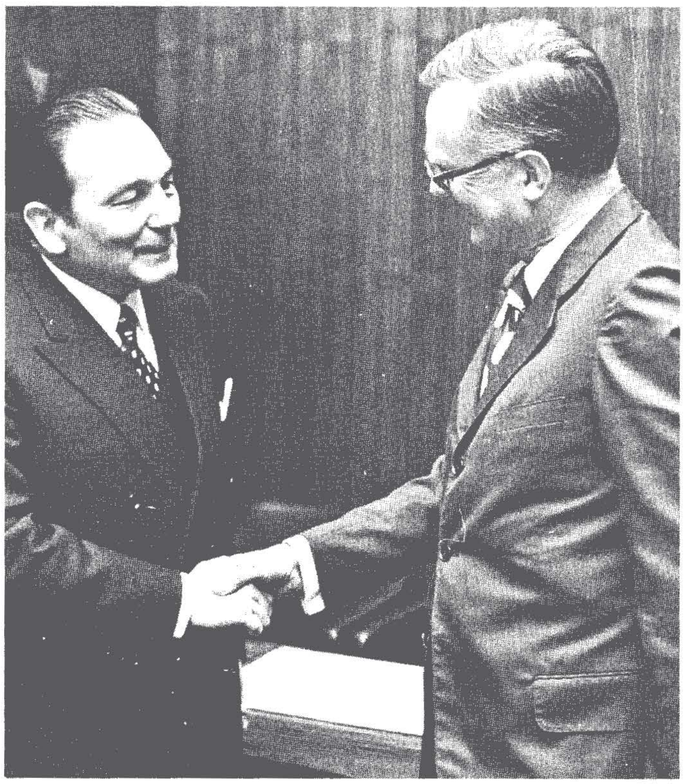
To deal with this situation, Mr. Schweitzer said governments should begin as soon as possible to negotiate the issues of realignment of exchange rates, the removal of the import surcharge, and the widening of exchange margins from their current rate of fluctuation 1 per cent above or below parity. Longer-term reform of the international monetary system should include arrangements for "the smoother and more flexible adjustment of exchange rates and reconsideration of the role of reserve currencies in the world reserve system." He ruled out floating as a means of adjusting exchange rates of major currencies because experience had shown that "exchange rates are not being left to market forces but are being influenced by official intervention and by expedients and restrictions that are growing daily."

Mr. Schweitzer proposed:

• a "collaborative international approach" to prevent "serious disarray in international monetary and trade affairs" and to "reestablish the functioning of the interna-

Belgian Minister of Finance Jean-Charles Snoy et d'Oppuers, addressing the IMF assembly, urged a prompt return to fixed parities. "Lost time will not make the finding of the solution any easier," he commented.

After the September 13 meeting of the Council of Ministers, Italian Minister of Treasury Mario Ferrari-Aggradi (left) and German Minister of Finance Karl Schiller congratulated each other on their contributions to the development of the joint Community position on international monetary reform.



tional monetary system on the basis of rights and duties."
• cooperation with the United States from the international community. "There is now general agreement that a substantial adjustment is required to deal with the present payments imbalance in the world." This approach is "particularly fitting in the light of the fact that over a long period, the United States was given widespread advice to reduce or eliminate its payments deficit."

Six Adhere to Joint Stand

Each delegate from the EC countries who addressed the convention referred to the Community's common position, adopted September 13, on the major issues raised by the US action. Their main points of agreement were:
• The international monetary system should be reformed, and the return to realistic fixed exchange rates, readily adjustable when necessary, should be immediate.
• The extent to which the values of currencies would be allowed to fluctuate around par should be decided upon.
• Reserves should consist of gold, a gradually increasing proportion of special drawing rights, and a gradually decreasing share of foreign exchange holdings.
• International trade treaties should be observed and IMF authority strengthened to regulate the international monetary system.

All Community countries thought agreement on these issues among the Six would facilitate agreement within the international community.

Return to Fixed Parities

Concerning the return to fixed parities, French Finance Minister Valéry Giscard d'Estaing emphasized that a selective approach was "the only correct one" in view of the diversity of situations. "Some countries have a trade surplus vis-à-vis the United States and others have a deficit." Some countries "share common conceptions of defense and feel called upon to share its burdens, and others have opted for different courses. Some countries make a strong aid effort, and others abstain."

Dutch Minister of Finance R. J. Nelissen stressed that "all equations will have to be solved simultaneously . . . in a multilateral framework. There will have to be a world-wide realignment of parities with a simultaneous abolition of the US surcharge. Agreeing with IMF Managing Director, Mr. Nelissen said that realignment would have to include a change in the parity of the US dollar so that special drawing rights "hold their value against currencies in general."

SDR's, a man-made reserve asset controlled by the IMF, can be exchanged for currency and used to finance balance-of-payments deficits. Its value is now defined as the weight of gold legally equivalent to US$1.00.

Widened Bands

Concerning a change in the extent to which currencies would be allowed to fluctuate around par, Italian Minister of Treasury Mario Ferrari-Aggradi favored widened bands, which would increase speculative risk, as a means of discouraging short-term capital flows.

Luxembourg Prime Minister and Minister of Finance

Commission Vice President Raymond Barre (foreground left) and Commission President Franco Maria Malfatti (foreground right) prepare to greet German Finance Minister Karl Schiller (center left) and French Finance Minister Valéry Giscard d'Estaing arriving for the September 13 Council meeting in preparation for the IMF meeting.

Dutch Minister of Finance R. J. Nelissen, addressing the IMF delegates, said that the realignment of parities would have to include a change in the parity of the US dollar.

Pierre Werner added that an international widening would not prevent the members of the Community from reducing the margins in their own internal relations as part of the decision to go ahead with monetary union. The first reduction in internal margins, scheduled for June, was postponed because of the May currency crisis.

Belgian Minister of Finance Jean-Charles Snoy et d'Oppuers thought that "any widening of the margins ought to be kept within moderate limits," so as to preserve the necessary climate of stability for international trade. While the Common Market members expect widened bands to reduce the problem of large scale short-term capital movements, they also "advocate a certain regulation of purely financial movements," Mr. Werner said.

German Minister for Economic Affairs and Finance, Karl Schiller, by contrast, questioned the effectiveness of capital restrictions which "are complicated to administer, are uneven in their application, and are never evasion proof. Countries would give up the advantages of freedom in international transactions without obtaining the desired effect." He thought exchange bands should be widened "to a degree that provides us with sufficient elasticity. In addition, the Fund should be empowered to permit, in special cases, even wider margins or their suspension on a temporary basis."

Composition of Reserves

Concerning the composition of reserves, Mr. Ferrari-Aggradi spoke in favor of reducing gradually the role of the dollar as a reserve currency and substituting SDR's on the IMF "in order to create a system which would not be dominated by any currency, whatever the importance of the issuing country." Parities would be defined in terms of SDR's, instead of gold.

Mr. Schiller put it more directly, stating that the "next logical steps" in reforming the international monetary system after the decision several years ago to create SDR's would be to limit the national currency component in reserves, thus "bringing the total volume of international liquidity under more effective control than in the past." Existing reserve assets held in national currencies should be consolidated and eventually "paid off." "We should ask the Fund to seek a solution which takes account of the interests of the international community as a whole."

Development Aid

All of the Community delegates voiced concern about the impact of the current monetary instability on the developing countries and expressed a willingness to shoulder their aid responsibilities to these lands.

Mr. Schiller's comment was typical: "We favor an efficient system of multilateral aid and are looking toward intensified cooperation comprising bilateral as well as multilateral aid. Mr. Ferrari-Aggradi pointed out that, despite domestic economic difficulties, Italy had increased its aid commitment during the year, nearly reaching the 1 per cent of gross national product target set by the United Nations.

Summing up the problems posed for the developing world, Robert S. McNamara, President of the World Bank,

US Secretary of the Treasury John B. Connally told the IMF delegates that the United States was prepared to negotiate for "a monetary order responsive to the needs and conditions of this generation."

said: "The transfer of public and private capital to the developing countries . . . is critically dependent on the operation of an exchange system that does not interfere with their continued flow." However the current monetary difficulties are resolved, the solution must "permit a continuing increase in capital flows to meet the targets to which the developed countries have subscribed: an increase in public development assistance from $8 billion per year in 1970 to $12.5 billion per year in 1975."

Return to Legal Order

"Lost time will not make the finding of the solution any easier," commented the Belgian Minister of Finance, echoing the feelings of all. The passage of time will only "consolidate distortions from which we will all suffer."

Speaking for the United States, Secretary of Treasury John B. Connally repeated US willingness to negotiate "with our friends for a monetary order responsive to the needs and conditions of this generation." Concerning parity realignment, he said that the US objective would be "to reduce, if not eliminate the role of gold in any new monetary system." "If other governments will make tangible progress toward dismantling specific barriers to trade over the coming weeks and will be prepared to allow market realities freely to determine exchange rates for their currencies for a transitional period, we, for our part, would be prepared to remove the [import] surcharge."

Flowers: The World's Hardest Currency

WILL J. RECKMAN *is a Dutch free lance journalist based in Brussels.*

Monetary upheaval cannot disrupt international trade in flowers. As the world's finance ministers and central bank governors convened last month in Washington with little hope of solving the issues underlying the most recent monetary crisis, 40,000 florists in 120 countries calmly continued filling orders with no fears about payment. As members of the worldwide chain Fleurop-Interflora, these florists reckon payments in "fleurin," a non-material money, defined as US$0.25, 2 British shillings, or one Swiss franc, depending on which of three non-profit regional clearing houses handles billings. These values remain fixed until a revaluation or devaluation occurs. While currencies float, the regional offices absorb any losses, relying on the offsetting effects of the international crossflow of orders and on profits made in earlier foreign exchange dealings.

A Fragile Cargo

The spiritual father of the Fleurop-Interflora was Max Hübner, a German florist, who ran a flower shop in Berlin at the beginning of the century. Since time immemorial, people have expressed feelings with flowers, but this form of intra-urban communication was a risky venture. Delicate plants and flowers often arrived at their destination in a bedraggled state. In winter they suffered from cold, in summer from heat, and year round were exposed to the rough parcel post handling which seems inevitable all over the world.

To do away with the hazards of transport, Hübner made a deal with florists in other German towns. Instead of sending flowers through the mail, he could order them directly from a colleague. If a client in Berlin wanted to send flowers to someone in Hamburg, Hübner could telephone or telegraph his correspondent in that town, describe the type bouquet his client wanted, and give the delivery date and address. By 1908, the first list of the German florists chain was compiled. It contained 98 names.

A Floral Code

Hübner's idea soon spread to other countries, and on March 25, 1927, Fleurop was founded in Zurich.

One of the first problems the young organization had to overcome was the question of language. A team of botanists and linguists was set to work to write an eight-language dictionary containing not only the names of flowers and plants but also of the materials used for making up bouquets, texts of accompanying messages, and information on the types and colors of flowers in bloom at different seasons in every country. Every item in this florists' international handbook has a code number, so that a cable order to a florist abroad can be written in a few figures, reducing costs to a minimum.

Payments Centralized

The question of payment was solved by creating the fleurin. Prices of all flowers listed in the international handbook are quoted in fleurin. Thus, a florist in Oslo who receives an order to deliver a dozen roses in Madrid knows exactly how much to charge his client. Orders are always passed directly from one florist to another and not via a central office, but all payments are handled by a central office.

There are now three central offices in the world, for in 1946 Fleurop was joined by the American Florists' Transworld Delivery Association and its British counterpart. At that moment, the name was changed to Interflora which has its headquarters in Detroit, Mich. The other two central clearing offices are in Zurich and London. Detroit handles the entire American continent; London, the Sterling area. Zurich is responsible for Europe, the Near East and Africa. The central clearing offices receive copies of all transactions within their zones or interzonal dealing. Each affiliated member has his own account with the central clearing office which after every operation will be debited or credited. Once a month the members receive a statement of account. Last year the world florists organization handled some 27 million international orders, which is about one order per second, representing a total of 850 million fleurin.

International flower orders are quoted in "fleurin," an artificial money whose value remains fixed while national currencies float. PHOTO: Courtesy Interflora, Washington, D.C.

Competition: Is Brussels Too Lenient?

PETER ULMER

Today, the European Community's competition policy has become topical. Members of the European Parliament are asking the Commission more and more questions about the way the Rome Treaty competition rules are being applied. The public finds it increasingly difficult to understand why, three years after the completion of the customs union, there are still large price differences on national markets for identical goods. Consumers see no reason why a Volkswagen should cost almost 20 per cent less in France than in Germany, or why spare parts for Citroën vehicles should cost twice as much in Luxembourg as in Thionville, 40 kilometers away in France. Similar differences have been reported for several other products, ranging from records to fertilizers. Disparate rates of indirect taxes in the member states cannot wholly explain such differences.

The Community Court of Justice has also expressed its uneasiness at current trends in competition policy and at the dilatory way in which the Commission makes its decisions. Since 1969, the Court has treated restrictive agreements before the Commission as fully effective until the Commission decided whether a specific accord conformed to the Rome Treaty. This interpretation has resulted in a subtle shift from the Rome Treaty ban on restrictive agreements to the principle that as long as a notified restrictive agreement does not abuse a dominant position, it is alright.

The most dramatic expression of uneasiness appeared in a full-page article in the Parisian newspaper *Le Monde*. The anonymous author reproached the Commission for its inactivity and lack of any concept of its own about competition. Instead of worrying about fostering competition in the Common Market, the Commission was said to think only of the competitiveness of firms. It was argued that the Commission had failed to apply the rules of competition; its "alibis" were said to be irresistible concentration, the need for cooperation across frontiers, and legal security for the firms concerned. The author said that no principles had yet been developed to deal with such important matters as license and know-how agreements or with cases of discrimination against Community firms. The Commission was accused of complacency in face of the continuing flood of mergers in all member states.

Commission officials reject these criticisms. They point to the roughly 30 decisions the Commission has so far issued on individual cases—including five bans on restrictive agreements—and the 600 or so agreements which have been adjusted to comply with the competition rules, following the Commission's intervention but without any formal decision.

3 Stages of Application

The Commission's application of the rules of competition since the Common Market Treaty became operative in 1958 falls into three phases.

- The first phase (1958-1962) saw the development of procedural rules to put into effect the ban on restrictive agreements (Article 85), and for the supervision of firms with a dominant market position (Article 86). This phase was completed on February 6, 1962, when the Council approved Regulation 17. The regulation provided mechanisms whereby firms notify agreements to the Commission, and whereby the Commission may clear agreements. It also empowered the Commission to fine companies for engaging in activities prohibited by the Treaty.
- The central feature of the second phase (1963-67) was the development of criteria for evaluating exclusive dealing agreements between firms in different member states. These criteria were provisionally completed by the "blanket clearance" given to simple exclusive distribution agreements that did not give the distributor absolute territorial protection. A corollary to this principle was confirmed by the Community Court of Justice in the Grundig-Consten case, outlawing agreements that restricted the right to export.
- Since 1967, the Commission has focused on horizontal agreements between firms in different member states, the third aspect of its competition practice. These agreements involve joint research and development, specialization and exclusive dealing, and the sharing of trademarks. In 1968 and 1970 the Commission also issued guidelines on permissible forms of inter-firm cooperation and minor agreements and announced plans to authorize generally agreements on joint research and development, norms and standardization, specialization, and joint purchasing. Cooperative agreements between economically independent companies in different member states were supposed to result in a blurring of distinction between the national markets. So far, it is dubious whether this aim has been achieved.

The Commission has yet to indicate all of the permissible limits of cooperation accords. However, since the Commission's action against export prohibitions in exclusive dealing contracts, it has been known to take a critical attitude towards clauses in agreements which restrict trade between member states.

A distinct competition concept has been developed only for exclusive dealing contracts; for horizontal agreements, companies are encouraged to cooperate across frontiers. In many other fields, however, businessmen are still groping in the dark, more than eight years after the Commission began controlling restrictive agreements. On license agreements, there has been little action since 1962, when the Commission published a "communication" setting out its thoughts but providing no legal security. Recently the Commission sent out questionnaires on the 3600 license contracts certified in the last eight years.

Last spring for the first time, the Commission dealt with a merger leading to market domination. Continental Can had taken over a Dutch company, Europ-Emballage, thus acquiring 60-70 per cent of the Community metal packaging market. No decision has yet been made on whether or not to prosecute, and the outcome is dubious, as the Community's competition rules do not prohibit dominant positions, only their abuse. Neither is it known whether the Commission has plans for controlling mergers at European levels, despite the flood of mergers and the European Parliament's urgings.

Little Proof of Progress

Until the end of 1968, the Commission had banned a single cartel (Grundig-Consten) and only in 1969 did it impose the first fines—on members of a quinine and a dyestuffs cartel. Apart from these cases, and two less important bans announced in 1970, the Commission does not seem to have noticed other instances of market sharing and prohibited price agreements. Agreements in the glass and titan dioxide industries were no secret, and strong disequilibria are apparent in the markets for margarine, electric bulbs, and artificial fertilizers, to name only a few examples. Since 1964 the Commission has been probing the cement cartels that fall under its jurisdiction, without making any decisions.

Some cases involving even major restrictions on competition have been voluntarily settled after companies rewrote their agreements to fit the competition rules. This procedure, however, contributes little to the development of the Commission's own competition policy. In any case, justified doubts exist as to whether major restrictions or competition were eliminated in many of the 589 cases of voluntary submission in the last three and a half years which have been mentioned by the Commission. Most of these cases involved the adjustment of notified exclusive dealing contracts to comply with the blanket clearance regulation which came into force in 1967. It is not evident that decisive progress was made in other fields.

Some Impediments

If the Community's competition policy has been only partly successful, this is to some extent the result of difficulties that are not always evident to an outsider: language differences, differences in education and ways of thought, and problems of organization and procedural law.

Within the Commission, three directorates of equal rank deal with competition questions. A draft regulation passes through numerous channels before going to the member states' experts and, possibly in amended form, reaching the Commission for a final decision. Not surprisingly, the average procedure lasts several years, and, with the exception of the exclusive dealing contracts, only a small fraction of the agreements notified eight years ago have been dealt with.

The procedure could be changed, for instance, by creating a Community cartel office as a subsidiary Commission authority with its own powers of decision, but this is probably not realizable for the time being. Meanwhile, it should be possible to streamline the procedure.

Before acting on an anti-trust case, the Commission hears the parties involved. This procedure could be simplified and shortened by delegating powers to deal with routine cases to the Commission departments. Detailed discussion of individual decisions could be limited to major cases. The Commission might also cooperate more closely with national cartel authorities.

A Modified Policy

The Commission's recent competition decisions and explanations of the application of the rules of competition suggest that administrative procedures have not been the sole, or the main, impediment to free competition. The explanation seems to lie rather in the emergence of a modified competition policy. Three characteristics of this trend are:

- the prohibition of restrictions directly affecting trade across Community frontiers. The Commission has consistently ruled against export prohibitions in exclusive dealing contracts, not unexpectedly in view of the Common Market Treaty's emphasis on removing restraints on intra-Community trade.
- a lack of interest in restrictive agreements affecting only trade within individual member states. This attitude could be acceptable during the first stage of building the Common Market but unacceptable at later stages. "National" restrictions can also affect trade with other member states, especially when most companies in a specific market participate in them. The artificial conditions created in the national market isolate it from the other parts of the Common Market, thus hampering the formation of the large unified market. With progressive economic integration, the Commission will have to watch these "national" restrictions closely to protect free competition.
- the encouragement of restrictive agreements which could help to integrate national economies through trans-frontier cooperation. This policy appears the most fraught with problems. The decisions and guidelines announced since 1967 on cooperation between firms encourage integration of national markets through competition-restricting cooperation and mergers. This is clear from the Commission memorandum on industrial policy, which calls for cross-border ventures and the formation of "trans-national" companies. For such ventures, the Commission would grant cheap credits and priority consideration in development projects and public contracts awards.

Instead of relying on the forces of competition to cause integration of markets, the Commission now seems to see its task less in maintaining free competition than in deliberately influencing firms. It seems less worried about practices that prevent free competition in the Common Market than about enhancing the competitiveness of firms.

If the Commission adopts a permanent policy of strengthening oligopolistic markets, it may find itself possessed by the spirits it has conjured up. Hopefully, the Commission will make greater use of the means available to it under the Common Market Treaty to keep markets open and to ensure that the current trend towards concentration in many sectors does not lead to narrow oligopolies.

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Europe's Next 50 Years

KARI BLACKBURN

Europe, "the West," represents a philosophy as well as a geographical expression, but the former is easier to define. The philosophy has as its basis the importance of individual freedom and man's superiority over the state. It is perhaps easier to define by considering its complete opposite, the Marxist-Leninist philosophy where freedom from material want is really the only freedom worth having. Examples of what I mean by European countries are the Common Market countries, Britain, and Scandinavia, but I hope within 50 years to be able to include countries like Hungary, Czechoslovakia, and Poland (which have all shown their desire to reconcile Communist rule with the personal and social freedoms enjoyed in "Europe").

Post-Industrial Disenchantment

However, this fundamental European belief in the individual's importance is by no means secure here even now. Even though our European nation-states are generally reasonably and tolerantly governed, their social democracy in itself has not proved strong enough to overcome the increasing commercialization of individual life. The nation seems too big to retain people's cultural loyalties and to give them the sense both of belonging and of individuality Its bureaucracy is so involved that most people cannot understand or feel a part of it. Koestler in "Darkness at Noon" described a people's capacity to govern itself democratically as "proportionate to the degree of its understanding of the structure and function of the whole social body." The intricate structure of many of the European centralized bureaucracies perhaps explains why so many people suffer from a sort of "future shock" apathy and frightening boredom.

The students' revolutions, both physical and social, and the regional movements in practically all European countries (e.g. Brittany, Wales, Flanders or the Basque country) in the last few years are very good examples of the new questioning of and dissatisfaction with the standard post-industrial society.

Super-Powers and Unreal Wars

So far I have implied that there is a great need for further decentralization, for the abolition of the nation-state which is too big. However, this is a superficial solution and one which fails to see the individual countries or Europe in a world context. Our nation-states may be theoretically sovereign but in practice the United States, the Soviet Union, and China are the only truly sovereign states. A sovereignty which only exists as long as a nation is the ally of one of the big powers is not sovereignty.

I have been brought up in a sheltered world where I have naively accepted the reasonableness and goodness of mankind, where I have completely failed to understand how the older generation could have fought a war. War has always seemed a game with no reality for me, played by generations of a less civilized mentality. I have been brought up with the assurance and feeling that there will not be another war; nobody wants it! I have shut off Vietnam and Biafra in my mind as something different.

At Easter I spent a few days in Paris talking with students from the Sorbonne. At first I completely refused to accept their arguments against the "Fascists," against the "capitalist Americans" but was finally convinced of the reality of the superpowers. It is frightening to look at American power politics, to look at Russia's and China's nuclear potential, but it forces one to realize the danger from power blocs. I do not know how to explain it—can it be due to inevitable historical forces unleashed by society's continual industrial revolution?

To withstand it, to play an independent part in world politics, Europe must "unite." The nation-state is too small a unit for defense, for technological industries, for transport, for energy, for making the cry for individual freedom heard in the world.

Europe's Paradoxical Position

The European nations seem to be in a paradoxical position—on one hand too small, on the other, too big. These two things are not, however, incompatible. The problems which make each of the European nations too big are the same for all of them; they are essentially concerned with preserving and improving the quality of life, of reinstating the European belief in the fulfillment of the individual. As Kampmann, a former Danish Prime Minister once said, "It is not the job of government to make people happy, but to create conditions which will enable people to find happiness for themselves." There are, I think, two such conditions which need to be created:

- an improved quality of our physical environment
- an educational and cultural system which encourages people to think and be conscious of their own individuality and potential control over science and technology.

These problems can only be solved satisfactorily by a united Europe, a Europe of regions which maintain their cultural diversity but act together in controlling all the forces which threaten to overcome them—not a union which regards integration only as a means of creating large markets and improving competitive conditions for European industry and trade.

A Human Europe

I have not specified how this Europe should be developed, as this question seems secondary to what kind of Europe I want. We have to get away from the "1984," "Brave New World" image. We have to create a Europe where the inhabitants of 2020 are still "human beings" in the sense Europeans have always valued them. However, we also have to make completely sure that there are no more internal conflicts in Europe like those of 1914 and 1939. This problem has, I am sure, been almost completely resolved. For me living in London, a Yorkshireman seems almost more different than a Prussian. Maybe in 50 years my children will say that being a European is more natural than being a Briton. At any rate they will have completely forgotten if our butter in the Eighties was expensive.

Miss Blackburn, 17 years old and a student at the United World College of the Atlantic, Glamorgan, Wales, won a prize with this essay in a contest sponsored last spring by the British newspaper The Guardian. *The theme was "Young Eyes on Europe."*

Recent Books

European Community periodically lists books dealing with Community and Atlantic topics. Prices are also given, whenever known. This presentation does not indicate approval or recommendation of these publications which can be purchased or ordered from most booksellers. . .

The Law in Political Integration: The Evolution and Integrative Implications of Regional Legal Processes in the European Community. Occasional Papers in International Affairs, Number 27. By Stuart A. Scheingold. Harvard University Center for International Affairs, June 1971. 48 pages plus footnotes and appendices, $2.25.

The paper is an assessment of the role of legal processes in the political integration of the European Community countries.

The author shows why the American model of federalism does not apply to the European experience and points out that judicial activism and self-conscious federalizing would have hampered integration rather than helped it. In his analysis, the law, lawyers, and judges play a subtle role in the process of regional integration. The author tries to show the possibility and desirability of transcending the federal perspective.

Trade and Industrial Resources of the Common Market and EFTA Countries: A Comparative Statistical Analysis. By A. E. Walsh and John Paxton. Garnstone Press, Ltd., London 1970. 157 pages plus appendix with sources of information.

A reference work presenting a statistical picture of the production resources and of the exports and imports of the Common Market, The United Kingdom, and the other members of the European Free Trade Association (EFTA).

Prefaced by a chapter on the history of the Common Market and EFTA and their relevance to the economies of the member countries, the work was compiled to demonstrate the enormous and growing markets for all principal manufactured goods in Europe. Comparative statistics are given on the production, consumption, and international trade in the UK, the Common Market, EFTA, and, where relevant, in the United States and Japan.

The Future of the European Ports. Edited by Rudolf Regul. College of Europe, Bruges (Belgium), 1971. 816 pages in two volumes. (French and English)

A collection of papers presented at a symposium held in Bruges in April 1970, to examine what the next two decades hold for the rapidly-changing field of maritime ports.

The subjects treated range from a comparative survey of the largest European ports to such questions as investment policy and the development of new techniques of container transport. The study concludes with a recommendation for a graduated approach to the problems raised, starting with the standardization of maritime and harbor statistics.

Agricultural Policy and the Common Market. Number 16, European Series. By John Marsh and Christopher Ritson. Chatham House, PEP, London, 1971. 191 pages with appendices. $3.00.

This study examines the character and development of the Common Market's agricultural policy.

By surveying the economic origins of the agricultural problem, the authors discuss the means used in trying to solve it and suggest ways in which the policies might be better unified. The probable impact of the common agricultural policy on the British economy is also considered.

Monopolies and Restrictive Trade Practices in France. By V. G. Venturi. A. W. Sijthoff, Leiden (The Netherlands), 1971. 370 pages, $12.10.

A study of French legislative and administrative measures related to restrictive trade practices.

As background, the author examines France's deep-rooted resistance to change, even within a new European organization. He then describes the French Government's efforts to modernize the economy, using price controls, nationalizations, and short- and long-term economic plans. He also analyzes the role played in economic reform by the Technical Commission on restrictive agreements and dominant positions.

International Administration: Its Evolution and Contemporary Applications. Edited by Robert S. Jordan. Oxford University Press, New York, 1971. 299 pages including index and bibliography.

A collection of essays on international administration, the development of an international civil service, and modern organizations.

Foreign Investment: France, A Case Study. By Robert B. Dickie. A. W. Sijthoff, Leiden, The Netherlands, and Oceana Publications, Dobbs Ferry, New York, 1970. 134 pages with annexes and bibliography.

The study was originally presented in a seminar at the Law School of the University of California, Berkeley.

The author provides background material on American investment in France and analyzes both the legal and economic criteria as well as specific laws governing the French Government's decisions on foreign applications to make direct investments. The French's objectives are explained and related to the process of deciding whether or not an investment proposal would help or hinder the Government in pursuing these objectives.

Les grandes sociétés européennes. By Heinz Aszkenazy. Centre de Recherche et d'Information Socio-Politique, Brussels, 1971. 247 pages with annex and index.

A study of large industrial concerns in Europe, focusing on economic concentration and its results.

The author argues that the structure of European industry has undergone profound changes since the Second World War. These changes manifest themselves in the increasing number of mergers between large concerns, which lead to the domination of the market by a very few firms. He examines the most recent developments in industry, focusing on the manufacturing sector.

Regional Problems and Policies in Italy and France. By Kevin Allen and M. C. MacLennan. University of Glasgow Social and Economic Studies, George Allen and Unwin, Ltd., London, 1970. 349 pages plus index.

An outline and analysis of the development of regional policies in Italy and France since 1945 and a general study of regional imbalances.

Since regional policies have become an integral part of national economic policies, the authors try not only to provide a catalogue of measures but also to analyze the factors which have influenced the choice of measures. Parts I and II deal with Italy and France. Part III examines three issues in detail: regional planning, growth areas and regional policy in the Common Market.

FEOGA—The Agricultural Guidance and Guarantee Fund of the EEC. By François Muller. University of Newcastle upon Tyne, 1970. 76 pages.

A description of the workings of the European Agricultural Guidance and Guarantee Fund. The study reviews the Fund's operation and traces its development over the years. Prospects for the future are also discussed.

International Trade 1970. General Agreement on Tariffs and Trades, Geneva, 1971. 217 pages with appendices and tables. $5.00.

The GATT's annual report, with a text in English, French, and Spanish, contains an analysis of the major trade trends in 1970 and the first half of 1971. These trends are presented in product and area studies.

Publications Available

DEMAND FOR AND APPLICATIONS OF EXTRA-LARGE ELECTRONIC DATA PROCESSING SYSTEMS IN THE EUROPEAN COMMUNITY AND THE UNITED KINGDOM IN THE SEVENTIES. *Industry Series No. 6.* Commission of the European Communities, Brussels, 1971, 62 pages $2.00

Summary report of a study on supply of data processing systems, development trends in computer installation, current and future demand and applications of computer hardware and software in the Common Market and UK. Some comparisons with the United States. Covers applications for manufacturing industries, retail stores, banks and insurance companies, public utilities, universities, and public administrations.

THE APPROXIMATION OF LAWS IN THE EEC. By Cesare Maestripieri, Legal Adviser to the Commission, Commission of the European Communities, Brussels, May 1971, 55 pages ....free

Texts of lectures given in Sandefjord, Norway. Discusses the legal instruments and provisions of the Treaty establishing the European Economic Community for harmonization of legislation. Includes an analysis of the Community's achievements in this field.

THE FREE MOVEMENT OF PERSONS AND SERVICES IN THE EEC. By Cesare Maestripieri, Legal Adviser to the Commission, Commission of the European Communities, Brussels, May 1971. 59 pages ....free

Texts of lectures given in Sandefjord, Norway. Part One. Describes the provisions of the European Economic Community Treaty and Community acts providing for the free movement of workers within the Community. Part Two distinguishes between the freedom to provide services and freedom of establishment. It discusses certain infringements and progress of the member states in this sector.

EUROPEAN INVESTMENT BANK 1970-1971. European Investment Bank, Luxembourg, September 1971, 24 pages ....free

Illustrated brochure offering a general description of the bank's activities since 1958.

CALENDRIER DE LA REALISATION DU DROIT D'ESTABLISSEMENT ET DE LA LIBRE PRESTATION DE SERVICES AU SEIN DE LA CEE. Commission of the European Communities, Brussels, 1971, 27 pages ....free

Gives the status as of April 30, 1971, of directives in force and proposed directives to secure the right of establishment and freedom to offer services. Also lists recommendations and communications made to the member states.

EUROPEAN INVESTMENT BANK ANNUAL REPORT: 1970. European Investment Bank, Luxembourg, 1971, 129 pages ....free

In addition to the section on the activities of the Bank in 1970, this report contains an analysis of the economic developments in the Community and the associated countries. It discusses issues on the markets of the member states and international market and assistance by national financial institutions.

L'EVOLUTION DES FINANCES PUBLIQUES DANS LES ETATS-MEMBRES DES COMMUNAUTES EUROPEENNES DE 1957 A 1966. *Série Economie et Finances* No. 8, Commission of the European Communities, Brussels, 1970, 263 pages $4.50

Comparative budgetary data of the Community's members. Gives an overall analysis of the revenue and expenditures of the public administrations together, the individual states, and local administrations. Includes a statistical annex.

RADIATION PROTECTION PROBLEMS RELATING TO TRANSURANIUM ELEMENTS. *EUR 4612.* Commission of the European Communities, Luxembourg, February 1971, 660 pages $20.00

Proceedings of a seminar organized by the Commission of the European Communities and the European Nuclear Energy Agency in Karlsruhe, Germany, September 1970. Reports appear in their original language, French, German, or English.

CONSIDERATIONS SUR LES BESOINS DE LA COMMUNAUTE EN URANIUM ET EN UNITES DE TRAVAIL DE SEPARATION. *EUR 4453.* By M. Donato et Jacqueline Pillon, Commission of the European Communities, Luxembourg, 1970, 36 pages ..$1.00

Detailed analysis of the Community's long-term requirements for uranium based on the target of 60,000 MWe net installed nuclear capacity by 1980. Allowance is made for the delays and losses involved in various fuel cycle operations and for the recovery of the residual enriched uranium contained in irradiated fuels.

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