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\*\* Among the INTERNATIONAL OPERATIONS IN THE COMMUNITY involving companies of various nationalities, from both Member and non-member States, during 1970, 327 acquisitions of holdings, the formation of 345 subsidiaries owned jointly by several companies and the setting up of 1,199 wholly-owned subsidiaries were recorded. This emerges, in particular, from the chapter devoted to the trend towards realignment in the Community contained in the First Report on Competition Policy, which has just been published by the Commission of the European Communities (see IRT No. 144). Annex 1 gives some details on interpenetrations at international level and on the trend towards realignment in the Community between 1966 and 1970.

\*\* FROM THE POINT OF VIEW OF TOWN AND COUNTRY PLANNING the majority of the industrialized nations have truly become "underdeveloped". Since numerous problems in this field occur in a similar manner in all European countries, and since research into town and

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*The information and articles published in this Bulletin concern European scientific cooperation and industrial development in Europe. Hence they are not simply confined to reports on the decisions or views of the Commission of the European Communities, but cover the whole field of questions discussed in the different circles concerned.*

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country planning embraces all areas of economic and social activity, the European Community could make a considerable contribution towards solving current problems. Against this backdrop, the experts from the Community Committee on Scientific and Technical Research Policy (PREST) have drawn up, with the assistance of the Commission of the European Communities, a proposed Community programme of research into town and country planning. For details see Annex 2.

\*\* THE COMMUNITY IS THE GREATEST COMMERCIAL POWER IN THE WORLD. Between 1958 and 1970, its trade with the rest of the world increased from 52,000 million to 91,000 million dollars. During the same period the relative share of Eastern Europe in the Community's external trade rose from 4% to 6.4%. THE COMMUNITY'S TRADE WITH EASTERN EUROPE has grown more quickly than its trade with other countries. Community trade with the Member States of Comecon increased from 1,700 million to 6,800 million dollars between 1968 and 1970. Between 1958 and 1970, Community imports from Eastern Europe increased by 300%, as against 180% for imports from other countries. During the same period Community exports to Eastern Europe rose by 385%, which compares with only 181% for the Community's total exports.

Details of the Community's export and import trade with Eastern Europe (in millions of dollars) are as follows:

Country	Community exports to Eastern Europe		Community imports from Eastern Europe	
	1958	1970	1958	1970
Bulgaria	29.7	170	25.2	165
Hungary	73.2	143	75.3	350
Poland	138.0	376.3	120.0	432.0
Rumania	51.3	431.5	55.7	375.5
East Germany	250.4	705.6	251.9	650.5
Czechoslovakia	122.2	430.4	109.9	393.5
USSR	221.8	1,169.5	271.3	858.7
Total	886.6	3,626.3	909.3	3,225.2

\*\* The technical and economic problems involved in the ENRICHMENT OF URANIUM formed the nucleus of the proceedings of the meeting held in Luxembourg on 16 May 1972 by the Parliamentary Committee on Energy, Research and Atomic Problems. Apart from the occasional difference of opinion, the experts from the nuclear industry and the governmental representatives present confirmed the Commission's forecasts of enriched uranium requirements. According to these forecasts, which cover the whole of free Western Europe, separation requirements (calculated as cumulative needs without plutonium recycling) would demand an available capacity of 4.7 million kg of SWU up to 1980

and 125 million kg up to 1985. It is anticipated that, as of 1975, annual requirements will double every five years. 1980 is considered to be the critical year for the commissioning of new separation plant. According to all the hypotheses advanced, it would appear impossible to obtain a firm, long-term undertaking on the part of the Americans to supply the necessary materials - an undertaking with economic conditions attached - to meet the increasing enriched uranium needs. In view of these prospects all the experts upheld the principle that, in order to ensure the dependability of its supplies, promote exports of nuclear power plants and take advantage of the technical progress it has achieved by its own efforts, the enlarged Community must embark upon a policy enabling it to build its own isotope separation plants.

However, differences of opinion emerged in regard to the various separation processes hitherto employed (gas centrifuge, gas diffusion and nozzle separation). The decisions concerning isotope separation plant construction which are aimed at promoting such and such a process must, however, be taken quickly, since a period of 7-8 years must be set aside for the planning and construction of the industrial uranium enrichment complexes, and the European installations must be ready for commissioning by 1980 at the latest.

\*\* The Community's group of experts responsible for studying problems relating to the ENVIRONMENT met in Brussels on 15-16 May for an initial exchange of views on the European Communities' note on the Community policy for the environment (See IRT No. 138). In accordance with a

resolution passed by the Committee of Permanent Representatives and following a request made by the British authorities, the representatives of the four applicant countries will henceforth attend these meetings. Special consideration was given to the stance which the Community will adopt at the Conference on the environment to be held in Stockholm by the UN next June.

\*\* An analysis of TRANSNATIONAL OPERATIONS BY COMPANIES IN THE FOODSTUFFS INDUSTRY between 1961 and 1970 shows that the companies set up on a unilateral basis by concerns in Member States were twice the number of cooperative ventures and realignments (295/148), both in non-member countries (69/32) and the Community (226/116).

However, the annual incidence of cooperative ventures and realignments is growing at a faster rate than that of firms set up on a national basis.

Cooperation and realignments between companies in different Member States occurred far less frequently than in the case of firms in the same country (116/303) and were only one third as many as the corresponding operations between firms in member and from non-member countries but the imbalance vis-à-vis firms set up on a national basis was less pronounced (226/295). If operations on a national basis and investments by non-member countries continue to predominate, the possibility of instituting a European-scale industrial policy would doubtless be jeopardized.

However, it has been found that the transnational operations by Community companies are now developing at a faster rate than those carried out by firms from non-member countries.

\*\* At the recent annual meeting of the American Chemical Association, experts from the JRC's Ispra establishment presented a paper on the Mark 1 nuclear reactor project, which is aimed at the PRODUCTION OF HYDROGEN (See IRT No. 140). The idea of hydrogen as an energy-transfer medium in itself seems already to have got off the ground in the United States, which holds the lead in the field of hydrogen transfer and its uses. On the other hand, it is universally admitted that the Community has a two-year lead at least in the production of hydrogen via nuclear heat.

\*\* Total estimated MAIL ORDER SALES in the Community Countries and the United Kingdom in 1970 were:

£565 million	United Kingdom	(4-5% of the market)
DM 10,000 million	West Germany	(5% of the market)
FF 3,5000 million	France	(1.2% of the market)
Lire 52,000 million	Italy	(0.5% of the market)
FB 3,000 million	Belgium	(1% of the market)
Nfl 400 million	Netherlands	(1% of the market)

Adequate, and where possible joint, consumer protection is required at Community level in the field of hire purchase agreements. The Commission of the European Communities is in the course of preparing a draft directive on HIRE PURCHASE AGREEMENTS, which should also cover mail order purchases involving such agreements.

- \*\* The Commission of the European Communities is keeping a close watch on the application by the Member States of the Community customs regulation with particular regard to the IMPORT INTO THE COMMUNITY OF MATERIALS USED IN AIRCRAFT MANUFACTURE. Its attention has been drawn to the possibility that certain products resulting from inward processing traffic may be marketed in the Community without the customs duty on them being collected.
  
- \*\* The Commission of the European Communities is to conduct an examination of the situation as regards international competition and cooperation among several companies in the field of CHEMICAL ENGINEERING. Although chemical engineering has expanded at a remarkable rate over the last few years, there have recently been indications that all is not well in the industry, the most obvious being branch closures and staff redundancies. The aims of the survey launched by the Commission are to ascertain the state of international competition in the chemical engineering sector, to study the advantages likely to accrue from joint ventures by several companies, and to bring out the relationships between engineering and R&D.
  
- \*\* The COMPARATIVE PROGRAMME ON PERSONAL DOSIMETRY has yielded a considerable improvement in the measuring accuracy of photon and neutron dosimeters, as a consequence of which the results of the work carried out in 1970-71 with the assistance of some twenty research institutes in the Community were verified at a meeting recently held between the Commission of the European Communities and the panel of experts responsible for carrying out the programme. A decision to intensify the

work on neutron dosimetry has been incorporated in the work schedule for 1972-73. The go-ahead has also been given for the calibration of a certain number of ambient-dosimetry measuring devices and for the finalization of the technical recommendations for users of thermoluminescent dosimeters.

\*\* Five new TECHNICAL NOTES, each summarizing a result obtained under Euratom research programmes have been issued by the Commission of the European Communities. The purpose of these texts is to enable industrial firms to assess the prospects for the industrial exploitation of the results described. The subjects of these new technical notes are as follows:

- N. 921      A device for extracting radioactive samples from a reactor and maintaining them at the temperature of liquid nitrogen
  
- N. 725      Heat exchanger
  
- N. 639      Device for bleeding gas from a sealed enclosure or for introducing it into such an enclosure
  
- N. 551      Underwater X-ray apparatus
  
- N. 64/C     High-speed motor

ANNEX 1 p.1THE TREND TOWARDS REALIGNMENTS IN THE EUROPEAN COMMUNITY

Among the international operations in the Community during 1970 involving companies of various nationalities, from both Member and non-member States, 327 acquisitions of holdings, the formation of 345 subsidiaries owned jointly by several companies and the setting-up of 1199 wholly-owned subsidiaries were recorded (the last-named being established by companies expanding their activities outside their own country by setting up a subsidiary to deal with production or sales).

As could be expected, it is the setting-up of wholly-owned subsidiaries on a unilateral basis which takes the lion's share and is notching up the fastest growth rate. Likewise, in the case of multilateral operations, those involving two companies are expanding faster than those involving a greater number and the acquisition of holdings is more popular than jointly-owned subsidiaries.

The table below shows the type and number of international operations in the Community during 1966-70 involving companies of different nationalities from both Community and non-member countries:

Year	No. of holdings acquired	Joint subsidiaries	Wholly-owned subsidiaries
1966	254	315	781
1967	228	299	830
1968	241	292	890
1969	265	324	989
1970	327	345	1,199

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During 1970 non-member countries-figured in almost two out of every three such operation. However, the movement over the period 1966-1970 shows that purely Community operations are increasing at a faster rate (150%) than operations involving non-member countries (132%).

International operations in EEC and non-member countries between 1966 and 1970 (each form of operation shown as a percentage).

EEC = operations involving companies from member countries only.

PT = operations involving companies from non-member countries.

Year	No. of holdings acquired		Joint subsidiaries		Wholly-owned subsidiaries		Total	
	EEC	PT	EEC	PT	EEC	PT	EEC	PT
1966	33	67	34	66	35	65	35	65
1967	34	66	33	67	37	63	35	65
1968	32	68	41	59	42	58	40	60
1969	40	60	35	65	39	61	38	62
1970	35	65	34	66	39	61	38	62

The following points emerge from a country-by-country survey of all international realignment operations (whether on a purely Community basis or involving non-member countries):

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1. The French economy is the most conducive to the acquisition of holdings of all types (25% of the total), i.e., more than Germany (18%) and far more than Belgium and Luxembourg.
2. Joint subsidiaries are rarely set up by German companies (11% of operations).
3. Germany is more dynamic in forming wholly-owned subsidiaries outside its national boundaries. Nearly three-quarters of the operations carried out in this country relate to the setting-up of wholly-owned subsidiaries abroad.
4. The proportion is also high in Belgium (69%). On the other hand, it is lower and below the Community average in France (53%).

The position occupied by non-member countries in the Community

An analysis of levels of participation in bilateral operations (subsidiaries owned jointly by two companies and bilateral acquisition of holdings) during 1970 shows that:

1. The level of US participation in such operations amounted to a third in Italy (33%), a quarter in France and the Netherlands (26% and 23%), a fifth in Germany and Belgium (19%), and 14% only in Luxembourg.

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2. In France, US firms' investments of this type are higher than those of German firms (26% as opposed to 21%). In Italy, it is almost the same as the total investment in the other five EEC countries (33% against 39%). The figure for the Netherlands is the same as that for Germany (24%), while the corresponding level in Belgium and Luxembourg is the same as that for France (19% and 14%).
3. The number of operations involving the United States is often greater in a Community country than the number of operations carried out in that country with the "privileged" Member State.
4. Of the other non-member countries the United Kingdom takes second place with a percentage roughly corresponding to half that for the USA. Its operations are directed particularly towards France (13%) and the Netherlands (12%).
5. Next comes Switzerland with percentages varying between 17% in Luxembourg, 12% in Germany and 5% in Belgium. The figure for Scandinavia is low (2-3%).
6. Japanese investment has developed recently, but only in Belgium, during 1970 (3%), has it done so to any extent.
7. Within the Community, interpenetration is at its most highly developed between France and Germany. The latter is concerned in 21% of the operations in France, and France in 24% of those in Germany.

8. As for the other countries, the privileged partner, at least as regards the number of operations, is in Italy's case France (15% of the operations in Italy); in the Netherlands it is Germany (24% of the operations in the Netherlands) and in Belgium it is the Netherlands (20% of Belgian operations). Paradoxically, Belgium is only favoured as to 4% by Luxembourg.

The Community countries effect over half of their bilateral operations among themselves (54% at least and 60% at the most), Italy excepted (39%).

Over the period under examination (1966-70), the respective percentages neither vary greatly nor show any marked trends. It is nevertheless significant that the number of Franco-German operations has doubled within such a short period, just as it may also be significant that US participation in bilateral operations in Germany between 1966 and 1970 tailed off considerably. There has also been a certain slackening-off in the pace of EEC/US operations, except in Italy.

#### Realignments according to economic sectors

During the period of 1966-70, under consideration, the three types of operation, namely, wholly-owned subsidiaries, jointly-owned subsidiaries and the acquisition of holdings, are consistently the most frequent in the metallurgical industry and the most infrequent in the energy sector. In 1970, the branches were between these two extremes

in the order shown: services, the manufacturing industries, the chemical industry, foodstuffs and textiles.

If one takes 100 as the basic index for 1966, the number of operations by sector can be broken down as follows in 1970:

Energy:	62
Chemicals:	105
Metallurgy:	116
Textiles:	139
Other manufacturing industries:	152
Services:	195
Foodstuffs:	272

It should not be concluded from these statistics that the industries where international operations are the most numerous are also the most closely concentrated. On the contrary, a large number of operations in a sector such as the foodstuffs industry can only be construed as a move towards the consolidation of a fragmented industry, whereas a small number of operations, as in the chemical or the energy industries denotes an already highly-concentrated sector where new operations are of necessity becoming increasingly rare.

To sum up:

Between 1966 and 1970, a distinct increase was observed in interpenetration on an international scale, together with a trend towards realignment within the EEC.

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Structures are undergoing only limited changes; this applies both to the types of operation and to the breakdown of the international operations in the Community on a regional and a sectoral basis.

Certain factors suggest that the activities of the Member States' indigenous industries as regards international operations are expanding compared with those of companies from non-member countries.



TOWN AND COUNTRY PLANNING PROBLEMS IN THE EUROPEAN  
COMMUNITY

From the point of view of town and country planning, the majority of the industrialized nations have become truly "underdeveloped". Everywhere there is a striking disparity between the progress achieved in the majority of sectors affecting town planning (civil engineering, transport, building, telecommunications, public health, etc.) and the optimum assimilation of the new techniques into the urban and rural symbiosis.

In almost all of the regions undergoing economic expansion, there has been found to be insufficiently controlled growth of existing urban population centres, unsatisfactory housing conditions, traffic congestion, pollution of all kinds and origins, a highly deficient infrastructure for leisure facilities, impoverishment of social relationships and the natural climate, a deterioration of the natural environment and the countryside, etc. There is also no doubt that this state of affairs merely adumbrates what the relatively near future could hold in store for us in this respect.

Unfettered urbanization has very serious consequences from an economic, health, social, cultural, ecological and political point of view. On the other hand, if the growth of cities is controlled, the result could be a shot in the arm for man and society and the preservation of the balance between the natural and man-made environments.

Setting priorities and making important decisions with regard to town and country planning are tasks of a political nature. The drafting of decisions and the working-out of alternative solutions are, on the other hand tasks of a technical nature and cannot therefore be dealt with by multidisciplinary teams engaged in the search for strategic, long-term solutions.

The European Community can make a great contribution to the solution of the problems besetting town and country planning in Europe and supplement the work in these fields which has already been carried out at a local, regional, national and international level. A large number of these problems arise in a similar form in all European countries.

Coordination of the studies and research into town and country planning, the organization of an adequate system of documentation and information, an attempt both to train experts and educate the public and the performance of full-scale experiments could be usefully carried out in a Community framework. (This has already been spelt out by the Commission of the European Communities in its note on Community policy regarding the environment - see IRT No. 138.)

Community-level action is all the more warranted as research into town planning covers almost every type of economic and social activity. The results of this research should thus be taken into account in the formulation and periodic amendment of common policies for individual sectors (energy, agriculture, industry, social, regional, transport, environmental, etc., policies). It is also probable that this research will highlight the need to arrive at directives, recommendations, regulations, etc., calling for priority treatment at Community level.

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Against this backdrop the experts from the Community's Committee on "Scientific and Technical Research Policy (PREST) have drawn up, with the assistance of the Commission of the European Communities, a proposed Community programme of scientific research into town and country planning. Six general research subjects have been selected:

A. Priority study:

A comparative analysis of the national policies and legislation concerning town and country planning

An analysis of this type, which would include an analysis of the difficulties encountered, the results obtained and the amendments under way, is a primary objective. It could lead directly to proposals for improvements at a local, regional or national level, as well as at a Community level. This study should also describe the policies, explicit or not, in the various countries in the matter of population, official procurement programmes, industrialization, the environment, regionalization and social policy.

B. Research on a macroscopic scale

The development of conurbations and megalopolis

In several areas of the Community (South-West Netherlands, the Ruhr, the Paris region, Northern Italy), conurbations are developing out of urban nuclei of varying size.

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Several of these conurbations in North-West Europe are being constrained to merge gradually into a gigantic megalopolis, already taking shape (within the area bounded by Liverpool, Paris, Dortmund and Hamburg). Whether these conurbations straddle the frontiers of several countries or not, they raise new problems not experienced by even the largest of the less recent conurbations. These problems concern above all infrastructures, social and cultural conditions, the internal economy, public health and the ecological balance.

Movement of population, goods, pipeline transport and telecommunications

Contemporary urbanization is not only a process of demographic concentration, but also the extension of an urban way of life to the rural areas, the main impetus being given by developments in the field of transport telecommunications. The influence of these developments, as regards both their positive and their negative aspects, is so similar and carries so much weight within the Community that its study could not be excluded from a Community research programme, particularly since it is the Common Market itself that has liberalized movements across frontiers.

The Interaction and functional relationships between town and country in a given area

It is worth while to examine the interrelationships between towns on the one hand and between town and country on the other, together with the optimum parameters for the various

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nuclei and green belts and the most effective allocation of infrastructures of local or regional interest at all levels of the various public authorities: the local council, region or province, the nation and, nowadays, the Community (since European integration cannot fail to introduce far-reaching changes in the demographic profile and its functional relationships).

C. Research on a microscopic scale.Urban overspill

The process of suburbanization raises several problems, often of such a serious nature that a decision is taken to build allegedly self-contained new towns, which, however, remain in fact satellites of the nearest big city in certain specific respects. In addition, certain spontaneous developments tend to cause numerous urban nuclei to merge. Thus are conurbations born, together with all of their problems, such as the shrinking of the countryside into islands of greenery and the destruction of the remaining natural leisure facilities close to the populated areas. One therefore begins to wonder whether it is not perhaps necessary to replace this haphazard process with order and method. However, although considerable experience has been accumulated over the last few years, many questions have remained unanswered, many more emerge each year and most of the findings have not been acted upon in the form of adequate preventive and corrective measures.

ANNEX 2 p.6Problems concerning city centres

At the moment, numerous city centres are losing their character as the hub of social and cultural activity where a wide variety of functions and ways of life manifest themselves in a colourful, lively profusion, and becoming a disintegrated mass where the traditional activities are disappearing, the residential areas are now giving way to office blocks particularly in the tertiary sectors, which is crowded during the day and deserted at night. The decay of such centres and the urban overspill also follow social class lines: the more comfortably off sections of the population settle on the outskirts, and leave the poorer strata of society behind in the dilapidated central ghettos. A programme of Community research must accordingly take into account the crisis currently afflicting the centres of European cities, which since their beginnings have been the prime symbols of European culture.