INTERNATIONAL MONETARY FUND

December 29, 1947

TO: Members of the Executive Board

FROM: The Secretary

SUBJECT: European Payments Problem

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RD-462

INTERNATIONAL MONETARY FUND

Research Department

European Payments Problem

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1. Difficulty of Financing Inter-European Trade

At the Paris conference and at subsequent meetings in London and Paris, a good deal of attention was given to the problem of facilitating inter-European trade. In particular, Belgium, Netherlands and Luxembourg proposed a plan under which the receipts of a European country in trade with any other European country adhering to the Marshall program would be available to make payments in any of the other cooperating countries. Their proposal is to establish what they call the transferability and convertibility of European currencies for inter-European trade.

The emphasis which has been placed by Belgium and other countries on the establishment of multilateralism in European trade is based on two urgent problems. First, the Marshall program has as one of its major features European self-help. To carry out this objective, the output of all European countries must be available to all other European countries to help them meet minimum consumption and investment needs. If European self-help is to be forthcoming, means must be provided for financing through trade the transfer of such goods from the producing countries to the importing countries. Second, European trade has, to a very large extent, been dependent in the last two years on the many bilateral payments agreements which are now in effect. Under many of these agreements, the limit of the credit margin is being reached, and it is already evident that European countries are cutting their imports from all other countries to whom payment will have to be made in gold or dollars for balances of currency accumulated in excess of the credit margins.

2. Bilateral Payments Agreements

With or without the Marshall Plan, the countries of Europe will face a serious problem on the present bilateral payments agreements. These agreements began in 1943 with the Belgium-Dutch agreement. The governments of the European countries, then temporarily resident in London, and the United States Treasury were informed of this proposed payments agreement prior to its publication. The Acting Secretary of the U.S. Treasury stated at that time that the agreement was in conformity with the purposes of the International Monetary Fund and that it would be helpful in reviving European trade and in achieving the objectives of the Fund. In fact, the Fund Agreement itself contains the provision:

> "As soon as conditions permit, they /members/ shall take all possible measures to develop such commercial and financial arrangements with other members as will facilitate international payments and the maintenance of exchange stability."

This provision in Article XIV, Section 2, of the Fund Agreement was intended to cover the bilateral payments agreements.

Since the end of the war the network of bilateral payments has spread all over Europe and includes a number of agreements with Latin American countries. The number of European agreements now in effect is 129. The total credit margins under these agreements is $1.4 billion, although, of course, in a number of instances it is not expected that the credits provided will, in fact, be used.

These payments agreements are generally reciprocal. They provide that each of the two contracting countries will sell its currency up to a stated amount in exchange for the currency of the other member for the purpose of making approved payments under the agreement. When the balances accumulated by any country exceed the credit margin provided for in the agreement, the excess is to be paid in gold or dollars. These payments agreements, therefore, provide reciprocal credit for financing trade between the participating countries.

3. Effect in Encouraging Inter-European Trade

The effect of the network of payments agreements in Europe has undoubtedly been to encourage an expansion of inter-European trade. This is evident from the European trade patterns of 1938 and 1946. Every country which is cooperating in the Marshall Plan has increased its trade in Europe until the dollar value of its exports to Europe far exceeds that of 1938. For nine of the largest of these countries total exports in Europe amounted to $2,450 million in 1938 and in the fourth quarter of 1946 exports of the same group of countries in Europe was at an annual rate of $4,550 million. In the first half of 1947 trade of these countries with each other continued to rise. Allowing for price changes it is probable that the volume of trade among these countries is now very close to prewar volume. The United Kingdom alone among these countries imports less than the prewar dollar value and considerably less than the prewar volume.

This expansion of inter-European trade has been very helpful in the reconstruction of Europe and in the maintenance of minimum standards of consumption. It is not, however, without some objectionable features. There are cases in which trade in luxury and semi-luxury goods has been encouraged, partly because these goods could be purchased on credit under the payments agreements. In this matter, however, it is very likely that a more important cause has been the bilateral trade agreements that have supplemented and accompanied the payments agreements. Under many of these agreements countries have tied the export of their luxury goods for which markets are difficult to find as a condition for the supply of their exports of essential goods.

4. Present Situation on Payments Agreements

The helpful feature of these agreements is now coming to an end. This is in large part due to the fact that the credit margins are being reach or exceeded in most of these agreements. For example, of the twenty agreements of Belgium within Europe, those with eight countries are within 20 per cent of the credit margin or have already exceeded it. These agreements include such important ones as those with the United Kingdom, France, Denmark, Norway, Netherlands and Italy. As a consequence these countries, which are already paying gold or U.S. dollars for any additional import surplus from Belgium, have begun to cut any imports which could even by a generous definition be regarded as dispensable. Unless some measures are taken either to increase the credit margins or to offset debit and credit margins (in those cases in which this would be helpful) a serious reduction in European trade might result.

It may also be worth noting that some of these bilateral payments agreements have a fixed date of expiration and that there is a possibility that they will be permitted to expire. Two reasons for this may be noted: the first is that some countries may feel that a termination of the payments agreements would result in a settlement that would provide them with some gold or foreign exchange resources in those cases in which they are the creditor countries. There is also the possibility that some countries may feel they are not in a position to extend as much credit to the European importers as they had hoped at the time the agreements were made.

5. Inter-European Trade under the Marshall Program

Quite apart from the payments agreements problems the Marshall program of itself will bring new problems of finance for inter-European trade if the production goals set for Europe in the Paris report are achieved. European countries would be expected to meet a considerable part of their needs for essential consumption and investment goods through trade with other European countries. Obviously such trade cannot be balanced on a bilateral basis without excluding the movement of many goods of vital importance. Some means of financing the larger volume of inter-European trade, which is an inherent feature of the Marshall program, must therefore be found.

The continuance and the extension of the bilateral payments agreements are, of course, one means of providing the finance requisite for this European trade. The existing credit margins under the present bilateral agreements are not likely to be adequate for this purpose. For one thing, they have already been used up to a considerable extent. For another thing, the real magnitude of the credit margin has been impaired by the steady rise in prices. But even after allowing for these two facts it is doubtful whether aggregate credits amounting to $1.4 billion, much of which is only technically available since it is offered to countries that are likely to be creditors in European trade, will permit the financing of European trade on the scale contemplated by the Marshall program. Some method must, therefore, be found for dealing with this problem.

6. The Belgian Proposal

The Belgium, Netherlands and Luxemburg Delegations to the Paris Conference for European Economic Cooperation proposed a plan for transferability and convertibility of European currency in current transactions. Without going into all the details of the various stages through which this plan has gone its essential features may be summarized as follows:

a. The 16 cooperating countries would agree that they could transfer (automatically or with consent) their credit balances with other European countries under the bilateral payments agreements to meet their debit balances with their creditors.

b. To the extent that such transfers would result in excessive holdings by one country of the currency of any of the other cooperating countries, the excess would become convertible into gold or U.S. dollars.

c. To finance such a scheme it would be desirable to have an additional fund of U.S. dollars which would enable the debtors to convert the holdings of their currency above the credit margins into gold or U.S. dollars without impairing their already limited free reserves.

One statement of this plan, based on the proposal of M. Ansiaux, is given in summary form in RD-434.

7. Finance Committee at Paris

At the meeting of the Finance Committee of the Paris Conference the proposal of the Belgium, Netherlands and Luxemburg delegations was thoroughly explored. There was general agreement that under any circumstances such a scheme would be workable only if countries put into effect a program of monetary reform to stabilize the domestic monetary situation and that no use of the dollars set aside for such a scheme would be desirable until some measure of achievement had already been attained in domestic monetary stabilization. The dangers inherent in such a scheme, that it would encourage trade in and use of resources to produce unnecessary goods and that it would divert exports that could go to the U.S. and the Western Hemisphere to be sold within Europe at higher prices, were recognized. No doubt if such a scheme were put into effect, safeguards would have to be developed to prevent these dangers.

The Chairman of the International Monetary Fund was invited to attend the Paris meeting. In a number of discussions before the Finance Committee, Mr. Gutt placed great emphasis on the necessity for assuring that any plan to encourage European trade was built on a sound foundation. For this purpose he regarded as indispensable that the participating countries should undertake a complete program of domestic reform involving over-all budgetary balance (ordinary budget, extraordinary budget and state enterprises), a restrictive credit policy, and the establishment of competitive prices for international trade. In this way, trade in unnecessary goods would not be encouraged by countries that hope an import surplus will ease their inflationary difficulties; and the expansion of European trade would not be accompanied by diversion of goods that could be exported to the Western Hemisphere to meet an inflated demand at higher prices under liberal credit provisions within Europe.

The Paris Report of the 16 European countries cooperating in the Marshall program contains a statement summarizing the problems facing inter-European trade. They may be summarized in this one excerpt from paragraph 12 of Chapter II of the Paris Report:

> "The principal obstacle to the development of inter-European trade lies in the insufficiency of European production, but the position is aggravated by certain defects inherent in the mechanism of the payments arrangements now in force. Trade between European countries is organised today by bilateral agreements, which generally provide for settlement in gold or in convertible currencies of the debit balances in excess of the credit margins granted under these agreements. These agreements have proved useful in so far as they make it possible to surmount the basic difficulties due to insufficiency of production and to weakness of currency and gold reserves. But owing to the limited possibilities of combining these various agreements, most countries are anxious to make sure that the transfers between each pair of the European countries concerned reach an exact balance in order to economise their gold and foreign exchange reserves. This deficiency in the system of bilateral agreements has contributed, to a certain extent and in certain cases, to hamper and distort the development of trade."

The Finance Committee therefore recommended that some system of transferability or convertibility should be set up if American aid were available. It was agreed to call a meeting of experts to be held in London to explore the question further. That part of the Paris Report which deals with the work of the Finance Committee is attached as Appendix A of this memorandum.

8. Payments Agreements Committee in London

While it was clear at Paris that there was not wholehearted agreement on the Belgian proposal, for the sake of completing the Paris Report the qualified statement of support and the call for the London meeting were unanimously approved.

The sixteen countries met in London for one week beginning September 22 to continue work on the report of the Finance Committee. Observers were also present from the U.S., the bi-zone of Germany and the International Monetary Fund. These discussions revealed a real cleavage as to the feasibility of the proposal for establishing the transferability and convertibility of European currencies through a multilateral agreement. It is worth noting that the London group was designated as the Committee on Payments Agreements and not as the Committee on Transferability and Convertibility.

The London meeting brought out the two contrasting views:

First, the view supported by the United Kingdom was that a multilateral payments plan was premature. Under existing conditions the best that could be done is to extend the bilateral agreements to 1951 to coincide with the period of the European Recovery Program and to postpone until then the settlement of obligations on expiring agreements. The United Kingdom stated that it is prepared to enter into negotiations with other countries to extend the agreements to which it is a party. Furthermore, if its creditors would postpone settlement on the expiring agreements, the United Kingdom was prepared to offer similar facilities to its debtors. In general, this view was supported by eleven countries, i.e., all except the Benelux group, France and Italy.

Second, the view supported by the Benelux delegations was that a system of offsets could be established. Such a system would permit a country to use the credits from its trade with some countries to meet its debits with other countries. In this way it might be possible for countries near the limits of the credit margins under bilateral payments agreements to continue their trade without drawing upon gold and dollar reserves. Such offsets could be made either automatically or, if it was felt necessary to limit the scope of the agreement, only with the consent of the countries concerned. The fact that there was no assurance that the United States would be prepared to subscribe a considerable sum in dollars to facilitate the convertibility of currencies held by any member in excess of the credit margin undoubtedly did much to limit the support for the proposal to the Benelux group, France and Italy.

During the discussions in London it became increasingly clear that few countries were prepared to enter into formal arrangements for a multilateral payments agreement which would permit the transfer of currencies acquired in inter-European trade and the ultimate conversion of excess balances into gold or U.S. dollars. The actual accomplishments of the London meeting cover two points: first, that information be collected on credit margins and the exchange of such information among the governments represented on the Committee; second, that countries consider the maintenance or increase of credit margins during the period of European recovery, i.e., to the end of 1951. The five Governments of Belgium, France, Italy, Luxemburg and the Netherlands did agree to meet in Paris on October 15 to consider the form of a central organization to act as a clearing house so that surpluses and deficits in their trade with each other might be offset on a multilateral basis. The text of the report of the Committee on Payments Agreements is included as Appendix B to this memorandum.

9. Reasons for Opposing Views

The failure to secure the adoption of the Belgian program was due to the lack of support from countries other than the Benelux group, France and Italy. The reasons for this lack of support are not easy to determine. They may, however, fall under any one or more of the following categories:

(a) The plan as presented in London had some technical flaws. For example, a creditor country could be forced to give too much credit to a single country; and a debtor country could be forced to make unexpected gold and dollar payments. This is not important because a technically sound plan could be drawn.

(b) Any plan for a multilateral payments agreement might involve the granting of large credits by countries not now in a position to offer such credits. For example, under an enlarged multilateral payments agreement embodying sixteen countries the U.K. might be expected to offer aggregate credits of $400 million. At present the credits and debits of the U.K. are about equal. However, if a multilateral payments agreement were established, it might find itself extending $400 million of credit.

(c) Other European creditor countries, such as Switzerland and Norway, undoubtedly felt that they would be required to give additional credit to the participating countries. They may also have had in mind the possibility that, if the subscription of the United States were to become a general obligation of all participating countries, some liability to repay the U.S. would ultimately fall on them.

(d) The U.K. may have felt reluctant to enter into an agreement for the transferability and convertibility of European currencies so soon after the break-down of the attempt to make sterling transferable. There may have been a general reluctance to embark on a program for transferability and convertibility of currencies which probably could not be continued after the U.S. subscription to the program had been exhausted. Clearly Europe's own reserves would be inadequate to continue convertibility once the U.S. dollar subscription had been used.

(e) Some countries may have felt that a bilateral payments system would offer them advantages in negotiating trade agreements. A multilateral clearing agreement would have assured each member access to credit for settling inter-European payments without the necessity of negotiating separate agreements with each country and without feeling obligated to offer a favorable trade agreement in order to assure the continuation of the payments agreement.

The five countries--the Benelux group, France and Italy--that expressed major concern for the adoption of a multilateral payments agreement were undoubtedly guided by various reasons. Among these may be one or more of the following:

(a) An expansion of European trade is necessary to give effect to the European contribution to the Paris Program. Without means for financing European trade even the present level of trade cannot be continued.

(b) A program for transferability and convertibility of currencies would be an additional inducement to some European countries to proceed promptly with their monetary reform. There may also have been a feeling that the proposed program would increase popular confidence in currencies and would prove attractive to public opinion in the U.S.

(c) So far as concerns Belgium and Luxemburg, they may have felt that their best hope of increasing dollar receipts from exports was by expanding their European markets and by finding means to finance their trade within Europe.

(d) Other countries may have felt that an enlarged multilateral payments agreement would have provided additional credit to finance their import surplus within Europe.

10. Conclusion

Without assessing the motives of the two groups it is clear that the present arrangements leave unsettled the major question of how expanded European trade, even if confined to goods essential for consumption and investment, will be financed during the period of the European Recovery Program. The importance of this problem and a proposal for solution is given in RD-463.

In the meantime a meeting of the five interested countries was held in Paris on October 15 to establish the machinery for offsetting claims against each other. The work of this group is considered in RD-465.

APPENDIX A

Report of the Committee of Financial Experts to the Paris Conference

Chapter II

Inter-European Payments Arrangements

10. The present section deals with the problem of how to enable European countries to develop trade between each other so far as this result can be achieved by making inter-European payments agreements more flexible, and the problem how to meet in gold or dollars deficits resulting from such trade in so far as these deficits exceed the credits provided for in these payments agreements.

11. The system* which we are about to describe is an essential step towards establishing a more liberal commercial policy within Europe. It will enable countries, within the limits of what they can afford to import, to reduce barriers to inter-European trade, and to develop this trade at a higher general level and more on the multilateral basis which is the objective of the proposed International Trade Organisation. This system cannot achieve its object unless it is accompanied by the progressive relaxation, and eventually the complete abolition, of quantitative restrictions due to balance of payments difficulties and to exchange restrictions due to such difficulties--at any rate for all transfers which correspond to payments for current transactions. The practical importance of the proposals described below will be determined by the extent to which they will enable the European countries to liberalise trade between themselves.

12. The principal obstacle to the development of inter-European trade lies in the insufficiency of European production, but the position is aggravated by certain defects inherent in the mechanism of the payments arrangements now in force. Trade between European countries is organised today by bilateral agreements, which generally provide for settlement in gold or in convertible currencies of the debit balances in excess of the credit margins granted under these agreements. These agreements have proved useful in so far as they make it possible to surmount the basic difficulties due to insufficiency of production and to weakness of currency and gold reserves. But owing to the limited possibilities of combining these various agreements, most countries are anxious to make sure that the transfers between each pair of the European countries concerned reach an exact balance in order to economise their gold and foreign exchange reserves. This deficiency in the system of bilateral agreements has contributed, to a certain extent and in certain cases, to hamper and distort the development of trade.

13. Clearly, therefore, these defects should be corrected in order that countries which now have a surplus production, or which as the result of American aid will in future have a surplus production, should, as the result of greater freedom of international trade, be able to place their export capacity at the disposal of countries which can make use of it.

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* The remarks contained in the following paragraphs do not necessarily all apply to the payments agreements concluded with countries whose currencies are convertible.

14. This object could be attained through the more efficient utilisation of exchange reserves, if each country could set off debits against credits by means of the transferability of European currencies between each other. The transferability of European currencies would permit a country which has a credit in its relations with another country to use it to settle a debit resulting from current payments to a third country. A set-off of this nature would reduce to a minimum payments in gold and convertible currencies which at present European countries are generally required to make to settle the balances which occur periodically owing to the working of bilateral agreements. This system would make it possible to abandon the existing procedure for a bilateral balance of trade and to deal only with the disequilibrium of the trade of a given country in relation to other countries of Europe taken together.

15. The transferability of currencies requires the consent of the country which accepts the currency and also of the country whose currency is transferred. Possibly, as a first step, this consent might be given in each particular case, but in order to make transferability really effective, it is necessary that the practice of transfers should be generalised by the conclusion of agreements between the countries concerned.

16. Transferability as described above must ultimately rest on the principle that the amounts owed to a country in excess of the margins provided for by payments agreements should be convertible into gold or United States dollars. This possibility of conversion is essential, for, if (as is assumed) certain European countries are in a debtor position towards other European countries as a whole, other countries must necessarily have a creditor position. The creditor position which they build up in relation to European countries as a whole, is generally accompanied by a debtor position in regard to extra-European countries, and it is therefore essential to allow them to mobilise their credits in Europe in order to enable them to discharge their debts outside Europe. This conversion should of course be arranged in such a way as to reduce to the greatest possible extent the necessity to utilise gold and dollars.

17. The Financial Committee recommend that steps should be taken to work out the technical details of this system. Accordingly, they recommend that a meeting of experts should be arranged in London on the 22nd September next.

18. Assuming that adequate American aid is received in respect of the deficit of the participating countries taken as a whole, this system does not require any net addition to such American aid. It does, however, require that American aid should be so arranged as to provide an adequate guarantee for the conversion of the amounts due in excess of the credits provided for in the payment agreements. A portion of the aid should be set aside for this purpose; and should be calculated, in the case of countries having net deficits towards other participating countries as a whole, on the basis of those deficits.

19. The Committee accordingly recommended that the Committee of Co-operation should--assuming that the American aid will be available--decide to adopt the Proposal in regard to payments arrangements between the European currencies made by the Delegations of Belgium, the Netherlands and Luxemburg, in the form set out in this chapter, and to approve the recommendation made to work out the technical details of this proposal.

APPENDIX B

Report of the Committee on Payments Agreements

Introduction

1. Paragraph 17 of the Report made to the Paris Conference by the Financial Committee recommended that a meeting of experts should take place in London on 22nd September, 1947, to work out the technical details of the system described in Chapter II of the Report which is reproduced in Appendix B to this Report. This meeting of experts has been held accordingly. We decided to give to the meeting the name "Committee on Payments Agreements". We have agreed upon the present Report.

Transferability of Currencies

2. (i) The Committee on Payments Agreements (hereinafter referred to as "The Committee") considered what technical arrangements should be made to permit a participating country which has a surplus in its relations with another participating country to use that surplus to settle a deficit resulting from current payments to a third participating country.

(ii) The transfer of currencies requires the consent of the country which accepts the currency and also of the country whose currency is being transferred. The Committee examined the proposals contained in Appendix C whereby the practice of transfers could be generalised by the conclusion of an agreement between a group of countries and the creation of a central organisation to act as a Clearing House so that surpluses and deficits may be off-set on a multilateral basis.

(iii) Certain Governments would be ready in principle to conclude such an agreement as soon as other participating countries covering a sufficiently large volume of trade are ready to do so. The functions of the suggested central organisation need to be carefully considered and worked out; this is to be done at a meeting which is to be held in Paris on the 15th October, 1947, to which all participating Governments are being invited to send representatives. The United States Government and the International Monetary Fund are being invited to send observers. In the meantime the Governments of Belgium, France, Italy, Luxemburg and the Netherlands are ready immediately to examine the possibility of concluding an interim agreement, on the lines indicated in paragraph 14 of Appendix C, which does not contain any fresh obligation to settle in gold or convertible currency the balances in excess of the existing credit margins, but is limited to a system of off-set.

The first work of this meeting will be to work out the functions of a Central Agency in order to give effect to an interim agreement, on the lines indicated in paragraph 14 of Appendix C.

(iv) The delegates of the participating countries, other than those named in (iii) above, are ready to recommend their Governments to co-operate fully with such a group, while--for the present at any rate--reserving the right to require their consent to the transfer of their currency in each case or class of cases.

(i) Data and Statistics

3.(i) The Governments represented on the Committee have agreed to exchange information as to the credit margins under their Payments Agreements and the surpluses and deficits shown on June 30 and August 31, 1947. The Questionnaire to which replies will be sent is set out in Appendix D.

(ii) Unification of Definition of Current Payments

(ii) The Committee recommend that the participating Governments should consider the desirability of including in their existing or future payment agreements a list of current payments similar to that contained in Appendix E.

Maintenance or Increase of Credit Margins

4. Arrangements about the maintenance or increase of credits and credit margins under a bilateral payment agreement can be made only between the two countries concerned, with whom it rests to discuss such arrangements in appropriate cases, having regard to relevant circumstances and in the light of payments arrangements as a whole.

If during the period of European recovery, which should be completed by 31st December, 1951, proposals for the maintenance or increase of credit margins are made, it is desirable that, in order to increase trade, the participating countries should give them careful consideration within the limits of their own possibilities in each case.

Arrangement of American Aid

5. The primary purpose of American aid is to enable the participating countries to obtain from the American continent what is needed for their production programmes. But a number of the Governments represented on the Committee desire that American aid should serve a double purpose and also be used to reduce payments difficulties as between the participating countries and restrictions on the interchange of foods and services between these countries, so far as these restrictions arise from payments difficulties.

Accordingly, these Governments desire that some part of American aid should take the form of dollars which can be used, first in making payments for goods supplied by one of the participating countries (including Western Germany) to another, and subsequently by the country which receives such payments to cover supplies from the American continent. It is, for example, clear that if one of the participating countries has coal or steel which it is able and ready to sell to another participating country, the latter should not be compelled by payments difficulties to refrain from buying steel or coal from a participating country and be forced to continue to buy them from the United States. This would be inconsistent with the programmes formulated by the Technical Committees of the Paris Conference, which assumed that no payments difficulties would prevent participating countries from supplying key commodities to each other.

To achieve the desired result it is not suggested that additional American aid should be granted but that American aid should be so arranged that it will serve both purposes instead of one purpose only.

Further Meeting on Method of Arranging American Aid

6. It will be desirable to draw up more detailed proposals as to the method of arranging American aid after it has been decided whether American aid will be given and, if so, in what form, and after any views, which the U.S. Government wish to express, have been stated. It is probable, therefore, that a further meeting of the Committee will be necessary at a later date.

Number of Payment Agreements

Country	Signed with Rest of Europe	Signed with Other Countries	Total
Austria	8	0	8
Belgium	20	3	23
Bulgaria	5	0	5
Czechoslovakia	19	3	22
Denmark	13	1	14
Finland	10	2	12
France	17	3	20
Germany (Am & Br)	7	0	7
(Fr)	7	0	7
(Russ)	6	0	6
Greece	4	0	4
Hungary	8	0	8
Iceland	2	0	2
Italy	11	1	12
Netherlands	19	1	20
Norway	19	0	19
Poland	9	0	9
Portugal	5	0	5
Rumania	2	0	2
Spain	3	2	5
Sweden	12	0	12
Switzerland	18	0	18
Turkey	7	0	7
U.S.S.R.	4	0	4
Yugoslavia	9	0	9
U.K.	15	7	22
	2 /259	23	282
Number of Intra-European Agreements	129		

Note: Total is uneven because it includes a tripartite agreement between France and the Am & Br & Fr zones of Germany.

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