

harmonization of commercial policies and cannot be resolved through cooperation, the Commission is to authorize the necessary protective measures. There is provision for unilateral action during the transitional period in case of emergency. Again, the action chosen is to be that which will cause least disturbance to the functioning of the Common Market and interfere least with the early introduction of the Common External Tariff. (Article 115)

7. Although not strictly safeguards, the provisions relating to state aids to industry (e.g., grants, low-or nil-interest loans and tax concessions) are certainly relevant. While the Treaty set up procedures to deal with aids which were incompatible with the Common Market because they distort competition and adversely affect trade between member states, it did provide a good deal of leeway for measures of this kind. They may be used, among other things, for promoting the development of depressed regions, remedying a serious disturbance in a member state, and assisting individual consumers. Certain conditions are laid down for their use, including review by the Commission and other member states. (Article 92)

8. A European Social Fund was established with the aim of promoting employment opportunities, especially by facilitating geographical and occupational mobility. A European Investment Bank was also created and given the task of using its own resources and those of the capital markets to contribute to "the balanced and smooth development of the Common Market in the interests of the Community".

### The Actual Experience

→ The difficulties of adaptation and adjustment were not as wide-spread or severe as some had feared. Economic conditions were generally buoyant. There was some temporary unemployment but apparently those displaced were easily absorbed elsewhere in the economy. General levels of unemployment in all member states fell from 1958/59 to 1963 and remained at very low levels until around 1974 with the exception of a slight increase in some countries in 1968. Real wages rose rapidly over these years. Regional disparities were not aggravated. The share of the peripheral regions in the community's GDP did not change much from 1960 to 1969, while that of the triangle Amsterdam - Dusseldorf - Lille declined slightly. On a country basis, Italy continued to lag well behind the rest of the Community in GDP per capita, on account of its depressed south, but the gap was somewhat smaller in 1970 than in 1960.

→ Since the problems of adjustment were much less serious than some had feared it was possible to shorten the period for phasing in the internal and external tariff changes by 18 months, completing the process of 10.5 years instead of 12 years from the beginning of the transitional period. Moreover, relatively modest use was made of the transitional safeguard provisions having to do with removal of internal