

disregarded.

In addition to these barriers to free movement of goods maintained by governments, there are the ones for which the private sector and even the general public are responsible. Foremost among these are the business practices which restrict competition, particularly significant in Europe, where there is a long history of cartelization.

The Community initially made slow progress in developing an approach to competition policy. In the meantime, many new agreements were concluded between firms, most of them involving exclusive distribution arrangements. There was probably also a good deal of price fixing and market sharing. Under the Rome Treaty, such practices could be permitted if they contributed to improved production or distribution of goods or promotion of technical or economic progress. They must however not enable the firms concerned to eliminate competition for a substantial proportion of the goods affected or impose restrictions not necessary for achieving the prescribed objectives. Moreover the consumer must benefit and competition must not be completely eliminated. All of this was not easy to interpret and apply. For one thing it involved reconciling objectives which were partly in conflict. For another, there were so many agreements and the EEC Commission was so short of staff. Much has been done to work out principles and procedures and establish Community authority through the courts, both on collusive practices and on abuse of dominant position. However there are indications that competition is still being restricted in many fields. For example, there are substantial differentials in prices for similar products in various parts of the Community, which cannot be explained by differences in internal taxes.

One must also include, among the invisible barriers, language differences, different ways of doing business and even the national prejudices which still influence some businessmen as well as consumers. For all these reasons it has been said that while the European Community operates a tariff union, it is not really a customs union (because barriers still exist at the border) and certainly not a common market (as long as there are many other obstacles to free movement of goods within the internal market). Imperfections also exist in the free movement of persons, capital and services.

The conclusion that emerges about the adjustment process in the Community is that it has probably extended over a much longer period than might have been expected on the basis of the timetable for tariff dismantling. Indeed it is no doubt still taking place. This needs to be borne in mind in assessing the reasons why so little use was made of safeguards provisions in the early days.

## Benefits of Integration