

make more intensive use of state aids. On the whole, the Commission did not try to interfere with this as long as the measures were of limited duration and subject to its supervision. Moreover, there are grounds for thinking that by no means all of the assistance to industries and regions was actually notified to the Commission.

The Community's own programs for aiding regions and industries were slow getting off the ground and were not very significant in easing problems which arose in the first decade of its existence. The assistance available from the European Social Fund was meager. Over the whole period, 1960 to 1968, the amount spent was under \$26 million. However, the fund does seem to have been of some help in readapting and retraining workers, such as the miners made redundant by the decline of the Italian sulphur industry. Apart from this, it was used mainly to facilitate migration of workers within the Community - especially from Italy to Germany, France, and to a lesser extent the BENELUX countries.

In the case of the coal, iron and steel industries, much more substantial assistance was available for readaptation of workers under the ECSC Treaty. Aid was also extended to firms in these industries for restructuring.

From 1958 to 1967, the loans and guarantees of the European Investment Bank were running at an average of under \$100 million a year. More than half of this was channelled into investments in Italy - particularly the south. In the Community as a whole, about half of the bank's financing went for industrial development (new plants and expanded facilities) and the other half for infrastructure (mainly communications, energy and water). Among all the bodies, public and private, marshalling funds for investment, the EIB played a relatively small role.

Other Factors Affecting the Use of Safeguards

The Treaty of Rome provided not only for the abolition of internal customs duties and QRs, but also for the elimination of other measures and practices which hindered free movement of goods. This was, and is, seen as necessary to obtain the full benefits of trade liberalization. The other side of the coin is that foot-dragging by member states can be a means of shielding their firms from competitive forces. It can therefore reduce the need for recourse to safeguard provisions.

The more important steps to be taken were as follows:

- Standardization of customs procedures and simplification of customs formalities and documentation requirements.
- Approximation, or as it is more usually referred to, "harmonization"