

and agricultural equipment and tractors, U.S. companies have increasingly organized the activities of their plants in the EEC on a specialized basis.

Is Integration Slowing Down?

Whatever may have been the benefits of the integration process so far, concerns have been expressed that, over the past decade or so, it has been running out of steam. The figures for the period 1973 to 1983 certainly do not look as good as those for the preceding fifteen years. (See Table 2) The main points to note are as follows:

- For the period examined, the Community ran neck to neck with the U.S.A. on growth in GDP (real terms) but lagged in industrial production. It did however, out perform the U.S.A. in growth of GDP per employed person. The U.S.A. had a greater relative increase in foreign trade.

- Imports of member states from one another did not grow as fast as their purchases from outside countries.

- The rate of growth in GDP, in total and per employed person was much lower than from 1959 to 1969.

Soaring energy prices and the EFTA agreements probably had something to do with the failure of the EEC's internal trade to expand at a faster rate than its trade with the rest of the world.

Entry of the slower-growing British economy into the Community contributed to the slackening of the EEC's growth rate.

Notwithstanding these extenuating factors some of the blame for the less impressive performance of the Community over the past decade or so has been attributed to the slow progress in removing the hidden barriers to trade mentioned above. In the latter 70's there were indications that these barriers might be increasing and in 1978 the Commission reported it was investigating 400 of them. There has indeed been a good deal of foot-dragging, not only on these issues but also in such areas as the development of an adequately-financed industrial policy and the adoption of a statute for a European company (which would facilitate trans-national mergers).

The world economic environment was, of course, much less favorable in the seventies, with the collapse of the Bretton Woods monetary system, the two oil price shocks in 1973 and 1979, the foodstuffs and commodities price surges, "stagflation" and recession. In 1983 the economies of EEC countries were operating below the long term trend level.