

adjustment, France asked for permission to apply import quotas for two years on refrigerators, washing machines, and electric and gas stoves. The French kraft plyboard industry was also in trouble, and it was proposed to introduce QRs for that product too. The Commission decided that quotas on plyboard might lead to deterioration in the conditions of intra-Community trade and invited the French Government to come up with another solution. It rejected the application regarding white goods. Shortly afterwards, in May and June, 1968, France found itself in a serious economic situation as a result of widespread social and industrial unrest. Permission was therefore granted for import quotas, not only on white goods but also steel, motor vehicles and textiles, under the balance of payment safeguards provisions. However, the quotas were to be allocated fairly among the member states and were to be removed by the end of the year. The Commission rejected a French request for an extension on refrigerators.

An item which gave rise to difficulties in the Netherlands, Belgium and Germany was carded wool. The first-named country was allowed to adopt safeguards but applications from the two others were rejected.

The Commission approved a number of safeguard actions to deal with deflections of trade and it made many decisions granting or denying permission to levy countervailing duties, although the latter appear to have affected mainly agricultural products.

A number of allegations of dumping were investigated. In some cases they were apparently resolved without formal action, while in others the Commission took the problem up with the offending firm. No member-state was actually authorized to apply anti-dumping duties in the first 3 1/2 years of the Community's life.

There were instances of member states taking safeguard action illegally. Up to mid-1961 the Commission had taken two of these to the Court of Justice.

What happened to the industries which were granted temporary relief under the transitional safeguard provisions? The information is sketchy, but there are some indications.

Output of lead and zinc ores in Italy dropped by about 40 per cent from 1958 to 1968 and then continued on down in the early seventies. In the case of secondary lead and primary lead and zinc, production either held steady or declined somewhat at first, then recovered and started to increase. However, secondary zinc production seems to have disappeared after 1963/64. Sulphur production in Italy seems to have declined by 1968 to only about 10 per cent of the 1961 level. Production of woven silk fabrics fluctuated considerably from 1958 to 1968 and no very clear trend is evident. Carded wool production dropped more than one quarter in