

More recently, the economic and monetary upheavals, "stagflation", and recessions of the seventies and early eighties have made it difficult to go ahead in such areas as eliminating differences in product standards and government procurement. There is much debate about how to restore the momentum and whether this may require revisions in the Rome Treaty and/or a "two-speed" Europe, where member states prepared to integrate faster would move ahead of the others.

The Community's relations with the rest of Western Europe got off to a bad start with the failure, while the Treaty of Rome was being negotiated, of efforts to associate all of them together in a pan-European industrial free trade area. The Six, and particularly the French, were concerned that this would lead to distortions of trade (because of differences in the level of external tariffs) and would dilute and weaken the EEC. Besides this, it would be unbalanced because of the exclusion of agriculture. When most of those outside the EEC formed EFTA, it was partly with a view to bringing the Community to terms. But efforts to build a "bridge" between the two groupings were not successful. Europe was then divided into two completely separate, and in some respects rival, trading blocs. It was not until after the departure of General de Gaulle from the scene that the first enlargement and the association arrangements with the EFTA countries could be carried through.

### **Political Factors**

This underlines the extent to which political factors have influenced the pace and nature of the moves towards European economic integration. Efforts along these lines before the Second World War foundered mainly on the rivalries and suspicions between the great powers. In the immediate post-war period, political considerations usually favoured the integration process. In Europe there was an upsurge of interest in federalism as a means both of avoiding a recurrence of the economic nationalism of the thirties and of breaking the cycle of European wars. Concerns about the growing power and the intentions of the Soviet Union spurred the U.S. decision to mount a massive aid program and the initiatives aimed at economic cooperation through OEEC. The establishment of ECSC was seen as helping to prevent a revival of the historic conflict between France and Germany, for it would make it easier to manage the competition between their steel industries for the iron ore of Lorraine and the coal and coke of the Saar and the Ruhr. A major factor leading the BENELUX countries to propose a broader-ranging integration of the economies of the Six in 1955 was concern over the deterioration of Franco-German relations. The French Parliament had failed to ratify the treaty for a European Defence Community which would have contributed to the rehabilitation of Germany. The two countries were also having differences over such issues as the future of the Saar (not reunited with Germany at that time), and construction of a