

flexibility in the schedule for abolishing fiscal duties or converting them into internal taxes (Article 38(3)). Article 43 was designed to meet a special British concern about the way in which removal of their QRs on iron and steel scrap might affect costs of production in the steel industry. It allowed them to retain these quotas for two years as long as they did not discriminate against other member states.

In addition to these transitional provision, the British of course had access to all the continuing safeguard arrangements in the Treaty of Rome.

The Actual Experience

No evidence has been found of serious problems of adjustment which can be directly related to British entry into the Community. Unemployment in Britain did rise from a rate of 3.5 per cent in 1972 to 5.3 per cent in 1979, but this does not seem to be attributable in any significant degree to British entry into the Community, since there were similar, and in some cases greater increases registered in jobless in other EEC countries.

The British appear to have invoked Article 135 in only one case. A sharp drop in coal and coke production resulting from the miners' strike of 1974 led to shortages of certain steel products. The British were permitted, under the general transitional safeguard provisions, to set up an export licensing system for certain steel products and later in the year to add other forms of steel and coal to the list of controlled items. However, the problem which had been anticipated regarding steel scrap exports did not arise.

✓ It would be difficult to determine to what extent the British Government used state aids, or state ownership of industries such as steel, to mitigate the effects of EEC entry.

By the time Britain joined the Community, the resources at the disposal of the European Social Fund and the ECSC re-adaptation fund had been greatly increased. The same was true of the European Investment Bank. Moreover, in 1975 the Community set up a European Regional Development Fund - something in which the British were particularly interested. However, the assistance available from these sources was small in relation to the needs, the EEC budget and the funds at the disposal of national governments.

X By the middle of 1982, Britain had received from Community sources £3.5 billion in grants and £ 4.4 billion in loans to assist and promote industrial change and stimulate investment. The annual average was thus about £ 830 million, though there was a substantial increase over the 9 1/2 year period. It is difficult to relate the projects assisted to situations resulting from British entry, except to some extent in