

ABOUT SOCIAL SCIENCE

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The European Economic Community

After years' effort, United Kingdom's application to be a member of the Common Market is approaching to success in near future. No matter how the outcome (結果), people would have great interest to learn something about The European Economic Community.

During the Second World War, states in Europe extracted all their resources for the use of military (軍事) and as the battlefield was so wide that all their industries & agriculture were wholly destroyed. Hence as soon as the war finished, their most urgent task (工作) was to rebuild their industries and revive (恢復) commerce. At the beginning, they set up restrictions on imported goods of one another, but by and by it happened to be an hindrance to international trade. Therefore meetings were held for the improvement of their economic policy (措施). 政策.....

As a result of the Treaty of Rome, on 1st January, 1958, The Community formally came into existence and it comprises France, Italy, Belgium, Holland, Luxembourg and the Federal German Republic. The objective of the Community is a common market between its six members, with an abolition (革除) of internal trade barriers and a common external tariff wall (出入口稅則(1)). For this purpose the Rome treaty envisaged (做成) a transitional period of between 12 & 15 years during which customs duties (些支不見) removed, economic and social policy harmonised (和諧), and a common tariff wall and agricultural policy established. All industrial trade quotas (限制(2)) were accordingly abolished in 1961, and an accelerated programme of internal tariff-cuts is now well under way. tariff-cuts = decrease of tariff-barriers

... market of 180 m. people

69 The establishment of the E.E.C. has meant the creation of a market of 180 m. people, almost equal to that of the population of the United States. The economic philosophy behind the Community is based on the law of comparative costs. The six members believed that from the reduction of tariff barriers within their own combined area, there would emerge a more efficient pattern of production, with each region and each firm doing the jobs for which they were best equipped. They believed that production costs would diminish and that with this would come an improvement in the standard of living throughout the community. It is difficult to argue that they have been wrong.

The Community is however, very much more than a Customs Union(4). It is a political-economic concept allowing for such features as unhindered movement of capital and labour within the the common market area; a community policy providing for common rules of competition and general co-ordination in transport rates; a European Investment Bank; and a common agricultural policy.

This last point has been a cause of some friction between members; and has also constituted an obstacle(石月 障碍) in some British eyes, to the desirability of United Kingdom entry to the Community. (After prolonged negotiations (谈判) this country failed to gain admittance in 1962, but resubmitted an application in the Spring of 1967) The six Six have a managed market for agricultural products, protected by charges on imports. A levy (徵稅) on agricultural imports is made at the E.E.C. frontier(countries not in the community), the proceeds(amount) being payable to an Agricultural Guidance and Guarantee Fund. Most of the resources of this Fund are used for finance intervention or support-buying in respect of various European agricultural products.

Thus in the E.E.C., the farmer looks for this return to a managed market, protected by charges on imports, with the cost of support falling mainly on the consumer; whereas in the United Kingdom producers are collectively guaranteed a minimum return through a deficiency payment system, the taxpayer suffering the burden of any shortfall () between market price and guaranteed price. Thus a problem to entry to E.C. support is furnished (形成) by the difference between the 2 systems of agricultural support, and also by the difficulty of reconciling the E.E.C. frontier levy principle

with the British traditional preference afforded to Commonwealth agricultural producers.

Doubts as to the desirability of British entry to the Community have mainly been on economic grounds of this kind. There is however a further ground (原因) for debate in that the Community comprises a group of political institutions making for an element of federalism (联邦制) in Europe. It is beyond the scope of this topic to examine such institutions, but it may be mentioned that the Community's governing body is a Council made up of Minister of the national Governments. Equally important is the Community's executive body, the European Commission, consisting of 9 members (based at Brussels) who, once elected by unanimous (一致) agreement of the 6 Governments, are outside the control of individual States. The Commission's task is to watch over the interests of the Community as a whole and to formulate its policies. There is also a European Court of Justice, with a final authority in Community matters; a European Parliament, elected to receive reports of the Commission's efforts to reach any necessary compromises (妥协) between members; and an Economic and Social Committee, a consultative body representing industrial and labour interests with the market.

It should also be noted that the E.E.C. was preceded (首先) by several supranational institutional innovations (5) in the economic field, and that these were in effect precursors (先驱) of the broader Community as a whole. The most important of these was, (and still is) the European Coal and Steel Community. This was established in 1952 as result of the proposal of M. Robert Schuman based on ideas of the economist M. Jean Monnet. The E.C.S.C. is effective in governing the coal and steel industries of the six countries of the Common Market. The power vests in the High Authority, based at Luxembourg. The authority consists of 9 men who are independent of national governments and are responsible only to the European Parliament. The E.C.S.C. abolished (废除) tariffs on trade between its members in coal, iron and steel, thereby providing a model for the whole European Economic Community. The High Authority can also ensure free competition, make a guarantee loan (负责) and exercise power to regulate production and distribution and to fix prices and wages in certain prescribed cases.

Further there is also a separate European Atomic Energy Community (Euratom), which exists to finance and develop nuclear power in Europe. Since 1959, it has been maintaining a common market in nuclear materials and equality () of acc () to them.

The above is only a brief introduction of this union but I hope it can satisfy people's curiosity to the Common Market.

SET by C.H.LO (Guest Writer)

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- (1) Tariff : A system of duties authorized by a government and imposed upon the ported or imported goods. (Dictionary of Economics)
 - (2) Quotas : Restrictions, limits,
 - (3) Error
 - (4) Custom Union : An agreement between 2 more or political jurisdiction or countries (district) to abolish custom duties and other trade restrictions among themselves to adopt a common policy regarding trade with other political district outside Union. (Dictionary of Economics, adapted)
 - (5) The whole sentence means : The E.E.C. was proceeded because of having some economic or institutional improvements and good changes that cannot be done by any country lonely. And due to these supranational institutional innovations, which were precursors of the broader or strong(wide) Community.

Customs duty : imported tax