

# Glossary

**CAP.** Abbreviation for the EC's common agricultural policy, which provides for a common market in farm goods based on common prices and a Community-wide system of price supports and import controls. Covers over 95 per cent of the Community's agricultural production.

**COMECON.** Council for Mutual Economic Assistance. Members are the Soviet Union, Czechoslovakia, Poland, East Germany, Hungary, Romania, Bulgaria, Outer Mongolia and Cuba.

**COMMUNITY OF NINE.** The six founding members and the three that joined in 1973 — Britain, Ireland and Denmark.

**COMMON MARKET.** Popular name for the European Economic Community.

**CUSTOMS UNION.** Group of countries that eliminates tariffs on trade between its members and adopts a common tariff on imports from the rest of the world.

**DAC.** Development Assistance Committee of the Organization for Economic Co-operation and Development.

**EAGGF.** European Agricultural Guidance and Guarantee Fund.

**ECSC.** European Coal and Steel Community.

**EEC.** European Economic Community.

**EC.** European Community (or European Communities), the collective name for the European Coal and Steel Community, the

European Economic Community and the European Atomic Energy Community. Founding members were Belgium, France, Italy, Germany, the Netherlands and Luxembourg (the Six). Britain, Ireland and Denmark joined on January 1, 1973.

**EDF.** European Development Fund.

**EFTA.** European Free-Trade Association. Members are Norway, Sweden, Switzerland, Austria, Portugal and Iceland. Denmark and Britain withdrew after deciding to join the Community.

**EIB.** European Investment Bank.

**FREE-TRADE AREA.** Group of countries that eliminates tariffs on trade between its members but does not adopt a common tariff on imports from the rest of the world.

**GATT.** General Agreement on Tariffs and Trade. An international accord signed in 1948 to foster growth of world trade. The Geneva-based body provides a forum for multilateral tariff negotiations and, through semi-annual meetings, a means for settling trade disputes and for discussing international trade problems. Has more than 80 members.

**IMF.** International Monetary Fund, in Washington, D.C.

**LOME CONVENTION.** Trade and aid convention joining the Community to 46 African, Caribbean and Pacific states.

**MFN.** Most-favoured-nation. The policy of

non-discrimination in international trade that provides to all nations the same customs and tariff treatment as that given the so-called "most-favoured-nation".

**NTB.** Non-tariff barrier. Provisions such as quotas, health and safety rules, import regulations, buying policies, and freight-rate differentials that restrict the flow of goods by means other than tariffs.

**OECD.** Organization for Economic Co-operation and Development, based in Paris.

**u.a.** The Community's *unit of account*. One unit of account currently equals about \$1.20.

**UNCTAD.** United Nations Conference on Trade and Development, with headquarters in Geneva.

**VAT.** Value-added tax. An indirect tax that has the effect of a retail sales tax. Tax is collected on the value added to a product at each stage that the product passes before reaching the consumer.