

Competition Policy

The Commission seeks the inclusion of all costs in the price of each type of transportation as a way of relieving urban traffic, improving land-use and obtaining the best value from investments in infrastructure. The Commission would also bring air and ocean transportation under the policy.

The Community's competition policy borrowed many features of U.S. antitrust law. Until the ECSC Treaty, competition rules were rare in Europe. During the postwar occupation of Germany, antitrust laws were introduced to prevent recartelization of the Ruhr's coal and steel industries. The ECSC Treaty incorporates a strict competition policy, which still applies to the coal and steel industries. The Treaty's drafters believed that forming a common market would be pointless if individual manufacturers could make arrangements that effectively protected their markets from outside competition. The advantages of price competition and size would have been lost.

The ECSC Treaty gives the Commission (known as the "High Authority" in 1951) power to decide whether a merger may occur and to fine companies for practices that distort competition. It allows the Commission to authorize restrictive agreements that improve production or distribution and contain no unnecessary restrictions.

The EEC Treaty covers trade in all products not under the ECSC Treaty. It bans such restrictive practices as market-sharing, quota-fixing, exclusive dealing, voluntary pacts to control imports, and abuse of a dominant position. Like the ECSC Treaty, the EEC Treaty allows the Commission to impose fines for infringements and to exempt restrictive agreements that improve production or distribution and contain no inessential restriction. To those provisos, the EEC Treaty adds that restrictive agreements must benefit consumers and have little effect on the industry involved.



A modern Italian train. A common policy for railway, highway, and inland waterway traffic, envisaged by the EEC treaty, is still under development.