

TREATY OF ROME

TREATY AT A GLANCE

Completed

March 25, 1957, at Rome

Signatories

Belgium, Federal Republic of Germany (West Germany), France, Italy, Luxembourg, and the Netherlands

Overview

The seminal treaty in the creation of the European Community (EC), the Treaty of Rome established the European Atomic Energy Community (EURATOM) and the European Economic Community (EEC, better known as the Common Market).

Historical Background

Shortly after the conclusion of World War II, the French statesman Jean Monnet had proposed a plan for a united Europe, which inspired French foreign minister Robert Schuman to propose a 1950 plan that became the basis of the European Coal and Steel Community (ECSC), created by the TREATY OF PARIS (April 18, 1951; effective January 1, 1952). The earliest forerunner of what eventually became the European Community (EC), the ECSC pooled resources and coordinated industrial policies and enterprise related to the production and distribution of coal, iron ore, and steel in France, the Federal Republic of Germany, Italy, Belgium, the Netherlands, and Luxembourg. For these commodities among these nations, a single economic market—encompassing a customs union and a free trade area—was created under the management of the “High Authority.”

Further steps toward European unity came in fits and starts, with long periods of inaction, such as that following the establishment of the ECSC. In the wake of the Hungarian Revolt and the Suez Canal Crisis of October 1956, the movement to integrate the European community gained renewed vigor. The crushing of the first truly meaningful protest against the Soviets’ postwar hegemony in Eastern Europe since Stalin had begun launching his satellite governments immediately after the war reminded the Europeans just how close the Russians were and how brutal they could be. The Suez crisis reinforced their growing resentment against America’s patronizing attitude.

Inspired by Monnet and Belgian economist Paul-Henri Spaak, the Treaty of Rome (concluded on March 25, 1957; effective January 1, 1958) brought the six ECSC nations together in the creation of the European Atomic Energy Community (EURATOM) and the so-called Common Market, officially known as the European Economic Community (EEC).

Terms

The Treaty of Rome begins by establishing the philosophical and political principles of the EEC:

ARTICLE 1

By this Treaty, the High Contracting Parties establish among themselves a European Economic Community.

ARTICLE 2

The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.

ARTICLE 3

For the purposes set out in Article 2, the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein:

(a) the elimination, as between Member States, of customs duties and of quantitative restrictions on the import and export of goods, and of all other measures having equivalent effect;

(b) the establishment of a common customs tariff and of a common commercial policy towards third countries;

(c) the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital;

(d) the adoption of a common policy in the sphere of agriculture;

(e) the adoption of a common policy in the sphere of transport;

(f) the institution of a system ensuring that competition in the common market is not discord;

(g) the application of procedures by which the economic policies of Member States can be coordinated and disequilibria in their balances of payments remedied;

(h) the approximation of laws of Member States to the extent required for the proper functioning of the common market;

(i) the creation of a European Social Fund in order to improve the employment opportunities for workers and to contribute to the raising of their standard of living;

(j) the establishment of a European Investment Bank to facilitate the economic expansion of the Community by opening up fresh resources;

(k) the association of the overseas countries and territories in order to increase trade and to promote economic and social development.

The central basis of the EEC was the free movement of goods between member nations, which was accomplished through the creation of the Customs Union:

Chapter 1: The Customs Union

Section 1. Elimination of Customs Duties between Member States

ARTICLE 12

Member States shall refrain from introducing between themselves any new customs duties on imports or exports or any charges having equivalent effect, and from increasing those which they already apply in their trade with each other.

ARTICLE 13

Customs duties on imports in force between the Member States shall be progressively abolished by them during the transitional period in accordance with Articles 14 and 15. . . .

The principle of free movement was extended to labor as well:

TITLE III: FREE MOVEMENT OF PERSONS, SERVICES AND CAPITAL

Chapter 1: Workers

ARTICLE 48

1. Freedom of movement for workers shall be secured within the Community by the end of the transitional period at the latest.

2. Such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment.

3. It shall entail the right, subject to limitations justified on grounds of public policy, public security or public health:

(a) to accept offers of employment actually made;

(b) to move freely within the territory of Member States for this purpose;

(c) to stay in a Member State for the purpose of employment in accordance with the provisions governing the employment of nationals of that State laid down by law, regulation or administrative action;

(d) to remain in the territory of a Member State after having been employed in that State, subject to the conditions which shall be embodied in implementing regulations to be drawn up by the Commission.

4. The provisions of this Article shall not apply to employment in the public service.

ARTICLE 49

As soon as this Treaty enters into force, the Council shall, acting on a proposal from the Commission and after consulting the Economic and Social Committee, issue directives or make regulations setting out measures required to bring about, by progressive stages, freedom of movement for workers, as defined in Article 48, in particular:

(a) by ensuring close cooperation between national employment services;

(b) by systematically and progressively abolishing those administrative procedures and practices and those qualifying periods in respect of eligibility for available employment, whether resulting from national legislation, or from agreements previously concluded between Member States, the maintenance of which would form an obstacle to liberalization of the movement of workers;

(c) by systematically and progressively abolishing all such qualifying periods and other restrictions provided for either under national legislation or under agreements previously concluded between Member States as imposed on workers of other Member States conditions regarding the free choice of employment other than those imposed on workers of the State concerned;

(d) by setting up appropriate machinery to bring offers of employment into touch with applications for employment and to facilitate the achievement of a balance between supply and demand in the employment market in such a way as to avoid serious threats to the standard of living and level of employment in the various regions and industries.

Pursuant to the policy on labor, Title 3 of the treaty provided for "Social Policy":

TITLE III: SOCIAL POLICY

Chapter 1: Social Provisions

ARTICLE 117

Member States agree upon the need to promote improved working conditions and an improved standard of living for workers, so as to make possible their harmonization while the improvement is being maintained.

They believe that such a development will ensue not only from the functioning of the common market, which will favor the harmonization of social systems, but also from the procedures provided for in this Treaty and from the approximation of provisions laid down by law, regulation and administrative action.

ARTICLE 118

Without prejudice to the other provisions of this Treaty and in conformity with its general objectives, the Commission shall have the task of promoting close cooperation between Member States in the social field.

ARTICLE 119

Each Member State shall during the first stage ensure and subsequently maintain the application of the principle that men and women should receive equal pay for equal work. . . .

Chapter 2. The European Social Fund

ARTICLE 123

In order to improve employment opportunities for workers in the common market and to contribute thereby to raising the standard of living, a European Social Fund is thereby established in accordance with the provisions set out below; it shall have the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community.

ARTICLE 124

The Fund shall be administered by the Commission.

The Commission shall be assisted in this task by a Committee presided over by a member of the Commission and composed of representatives of Governments, trade unions and employers' organizations.

Consequences

On April 8, 1965, the Merger Treaty was concluded (effective July 1, 1967), establishing among the signatory nations a common Council of Ministers, a European Commission, a European Parliament, a Court of Justice, and a European Council. Twenty-one years later, the European Single Act (ESA)—signed on February 26, 1986; effective July 1, 1987—augmented the authority of the European Parliament and laid the foundation for the so-called 1992 Program, a bold plan to tear down all remaining barriers to the completion of a unified European market. While EURATOM accelerated the European development of atomic energy and nuclear research, the EEC greatly broadened the scope of what had been established by the ECSC, extending common market and free trade principles to most economic sectors.

Throughout the 1960s, France resolutely opposed British participation in the Common Market because it was felt that Britain's ties to its Commonwealth and its close relationship with the United States presented a conflict with the interests of the EEC. Britain finally joined the European Community (along with Ireland and Denmark) in 1973. Greece joined in 1981, followed by Spain and Portugal in 1986. When East and West Germany were unified in 1990 as the expanded Federal Republic of Germany, membership in the EC was automatically extended to cover the former East German territories.