The Treaty of Rome EEC and EURATOM

1957

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Abstract

After the crisis of the EDC, European integration focused on the economic field as the best way to accelerate the process. The leaders of the member states of the ECSC plus the UK met in 1955 in Messina in a conference where they agreed upon the creation of a preparatory committee for the construction of a common market and also a community based on atomic energy. It was a year after the rejection of the EDC, and all the parties involved were very cautious to avoid another failure that could have doomed the whole European project.

Keywords

European Union, Treaty of Rome, EEC, EURATOM, European Union Integration, European development

INTRODUCTION

Two new communities, the EURATOM and the European Community, were created by the Treaty of Rome in 1957, deepening integration in Europe. These two communities were independent from each other, and from the previous ECSC. The first was based on atomic energy and was a consequence of lobbying by Jean Monnet and his supporters. He thought that atomic energy could be the new source of energy of the future because it could be locally produced in Europe, avoiding the dependency on oil from other parts of the world and also because it was relatively cheap. The changes in the European economic model (Kerikmäe, 2004), the exhausting reserves of coal on the continent, and the independence of former European colonies rich in oil, led to an energy crisis with higher prices and a threat to the recovery of the European economy (Sandholtz, 2010). Atomic energy seemed the answer, and Monnet wanted to use this new energy source from a
common perspective, building a community where the development of this energy would be the result of common work (Gaja, 1998). It could avoid the military use of this energy among the member states of the organization and could also increase the integration between the member states.

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Monnet thought of the potential spillover effect of this energy as an important tool for the creation of a European political entity. Nuclear energy was essential as well in the new making of war, as the nuclear powers felt safer from aggressions from other states. It was a weapon based more on prevention than aggression. As steel had been basic for making weapons before, nuclear energy was thought to be the future in the military field. Sharing the technology and facilities under a common institution might avoid the possibility of using it against each other, reassuring peace and increasing the integration among the member states (Galloway, 2001). Also, Europe needed to work together in this field to gain independence from the unstable international situation. As the president of Egypt decided to nationalize the Suez channel, France, the UK and Israel attacked Egypt. This was a fundamental transportation facility for the European economic interest because most of the oil was coming to Europe via Egypt (Joamets, 2016), a much cheaper and faster way than sailing around Africa. The crisis was solved with the involvement of the USA supporting its Egyptian ally, crucial in the context of the Cold War (Tanel, 2015). The European powers had to withdraw from the area, making clear their minor role in world affairs dominated by the USA and the Soviet Union. A European community in the atomic field could help European powers increase their political influence in the world, or at least their independence in the context of the Cold War (Kerikmäe, 1994).

These were the theses defending the creation of EURATOM, but the real situation was different (Sinnott, 2003). The other member states did not trust the real intentions of France, because they thought that the French government wanted to use this community to have free access to German technology and to a common budget to develop French nuclear weapons (Kerikmäe, 2001). The mistrust among the members, the stabilization of the price of oil, and the temporary end of the energy crisis led to an empty community with no real power. EURATOM had its own independent institutions, but finally in 1967 these institutions were merged with the European Community institutions, thus losing their independence (Troitiño, 2015).

The current situation is again opening the debate about nuclear energy because of similar reasons as in the ‘50s plus environmental and security concerns. But the position of the European Union is based on national independence in this field, promoting or not of nuclear energy depends on the governments of the member states. Some of them, as France or Finland, are keen to build new nuclear facilities, another, Spain, is closing its. It means that it is policy out of the European level, involving just national actors, even when its consequences are global, and not regional. It is because the political consequences of a common energy policy are very important, and the European building process still has not reached a deep enough level of integration to deal with such a problematic issue.
The European Economic Community was established in the same treaty, and was mainly a common market with free movement of people, services, goods, and capital. The idea was to create a large market for the economies of the member states to increase trade and wealth. It also had other less pragmatic reasons, as accelerating European integration. Having a common market with common rules, the European economies would integrate step by step, finally creating a single market. The economy was chosen to be the first field to integrated, leaving politics for a future stage.

Each member state also had its own interest in this common market. Germany was an economy based on exports, as it still is, and was keen for a market where no technical, legal, or economic barriers would decrease its activity. Fewer borders between the member states’ economies made it easier for West Germany to export. It meant an important increase in German economic activity (Sverdrup, 2002). On the other hand, Germans were afraid of other policies included in the Treaty, as the Common Agricultural Policy, very expensive and likely to spend most of its budget in France. Nevertheless, the competitiveness of the German economy made this country the main beneficiary of this common market, but also made Germany the main contributor to the common budget. The German government currently still gets important economic benefits from the European market because the economic activity is bigger than without the market and because the German economy is based on exports; around two thirds of German exports are within the European market (Kerikmäe, 2012). The German companies benefiting from the European market pay taxes in Germany, with the consequent benefit for the German state. Germany pays more than other countries because its economy is bigger than the other member states’ economies and hence gets a bigger benefit from the common market. It would nonsense that German companies could sell on equal terms in the rest of Europe, increase their benefits, and raise the income of the German state via the taxes they pay there, without contributing to the common budget of the European Union.

Italy also supported the common market because of the heavily industrialized northern area of the country and the poorer southern part of Italy. The north was interested in a free market to export to the rest of the member states competing on equal terms with German or French companies (Troitiño, 2014). The south was more interested in the free movement of people, to export workers to other parts of Europe without restrictions or discriminations. Also, the inclusion of the Common Agricultural Policy meant an important benefit for the agricultural sector of this part of Italy, focused on Mediterranean production.

France was less enthusiastic about the common market, because its economy was less competitive than the German, but free competition was thought of as a shock therapy where the French companies had to adapt to the new rules in order to survive, in the process winning global competitiveness. On the other hand, other policies, as the CAP, were going to mean a huge influx of capital in its important agricultural sector (Monar, 1993). The relations of the new community with Africa could also finance the external influence of France in the African continent, something it could not afford alone in the context of the Cold War because France did not have enough muscle to compete with the USA or the USSR.
Finally, the BENELUX countries had no other option than joining a market where Germany and France were present. It is because of obvious economic reasons, because the economies of the three states highly depend on the German and French market, and they could have had tough times without access to them.

So, as we have seem, there were economic reasons to create the common market, but also there were political reasons in terms of integration, and thirdly, each member state had its own interest. All of these together made possible the creation of the EEC and the common market (Kerikmäe, 2017).

At the beginning the Common Market had many problems and basically was just an industrial market based on free trade and an agricultural market based on public subsidies. In order to solve the problems of the Common Market, deeper integration was needed. The main target was increasing the economic competitiveness and wealth of Europe, and a new reform creating the Single Market was launched and signed in 1986. Again the problems of the Communities were solved with deeper integration (Troitiño, 2017).

The way the new community was developed followed the example of the ECSC, a supranational community with common rules, the same rights and duties, plus common institutions. One of the supranational institutions was the European Commission, the executive body, the only one with the right to initiate new legislation and independent from the member states, acting just for the common good of the community, leaving aside the national interest of each member state. It worked in a collegial way and had its own staff.

The Council was the most powerful institution, and it represented the national interests of the member states. It decided most of the matters related to new legislation, approving, rejecting, or reforming it. The main decision making process was based on unanimity; that meant that if just one state did not agree on any measure it could not be passed. This way was decided upon in order to break the resistance of those who thought that the new community was a threat to national sovereignty (Monroy, 2016). The evolution of the Council shows that each treaty or reform puts more policies under another form of decision making, qualified majority, where not all the countries have to agree, and a majority of them, depending on the kind of majority needed, can pass legislation even if other member states are against it. Mainly new policies are under unanimity, and when they are already working well and there is no longer fear about the national interest of the member states, they move to a qualified majority (Laursen, 1994).

The Assembly was a copy of the ECSC, with no real power, but necessary for giving a democratic face to the integration process. Step by step the Assembly got more power, and finally was elected in a democratic way in 1979. From that point on, the European Parliament got more power, being currently a powerful institution that can stand almost on equal terms with the Council. It was clear from the beginning of integration that a European state was wanted, and this state should be democratic, with a common parliament elected by the Europeans. At the end of the process the parliament will probably become the main institution of the European Union, so it is very likely that it will win power in each new treaty until the European state is created.

Another important institution was the High Court, a sentinel of the common rules with
power to force the member states to follow the Communitarian law. It was something similar to the ECSC and different from the rest of the international organizations of the world that usually lack this kind of institution.

Finally there was an Economic and a Social committee, to involve in the process other actors such as workers, trade unions, companies, or liberal professions. Its powers were minimal; it was just a consultation body (Kerikmäe, 2015).

**CONCLUSION**

The EEC was the real start of integration in Europe because its spillover effect led to deeper and deeper integration, in a process that could probably lead Europe to the United States of Europe. The common market in reality was just an industrial market, but was working well. Years later, new integration was needed to increase the effectiveness of the economic system and solve the problems created by the common market, so a single market was created, where there were fewer borders to trade. It led afterwards to the adoption of the common currency to avoid barriers to the market, and it is supposed to lead to an economic government in the European Union to fix the problems generated by the common currency. This would be the last stage in the creation of the European state.

Nevertheless, the Treaty of Rome meant the disappearance of the word federation from the treaties of the EEC and the EU. It was like accepting the process, accepting the consequences of the new legislation, policies, and treaties, leading the member states to the United States of Europe but hiding it from the citizens and, of course, avoiding any kind of publicity about it. In this sense the treaty of Rome was a step back in terms of European integration because the model chosen for the integration did not count on the European people (Kerikmäe, 2014).

The development of two key polices was also included in the treaty of Rome: the Common Agricultural Policy and a united trade policy. Both were handled in a Communitarian way and had a huge influence on the image of the European communities at home and abroad. The French influence is clear in the Treaty of Rome, and its political predominance over other partners was important in the development of the Union for many decades. It was the member state that obtained more economic benefits and political hegemony in Western Europe. It is important to remember that WW II, having occurred not much more than 10 years earlier, was still fresh in the minds of Europeans (Shaw, 1996). Germany was still willing to pay for normalizing its relations with the rest of the international community and accepted this French leadership (Langrish, 1998). Hence an important benefit for West Germany at that moment was political (Troitino, 2013).

The other members of the community could not challenge French dominance either, and their dependency on the economies of Germany and France gave them no real option to stay aside from the new community. As the Economist magazine pointed out “The French have a good claim to have invented the EU and have traditionally felt a sense of ownership over it”, and it can explain different attitudes in European Union history, as Chirac, president of France, calling the member states of the Union that supported the war in Iraq anti-Europeans, even when there were more countries in Europe supporting the war than against it. He meant anti-French instead of anti-European and made a clear identification of France and Germany as Europe.
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