

especially atomic power, strengthened the arguments for a much broader integration of the economies of the six members. This was part of the economic background in the creation of the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM), both of which came into existence at the beginning of 1958. (There was also a political background as we shall see later).

✓ The Rome Treaty, establishing the EEC, provided for not only a customs union (i.e. removal of internal tariffs and other trade restrictions and establishment of a Common External Tariff (CET) and a common commercial policy towards third countries) but also the following other important measures of integration:-

- free movement of capital and persons and freedom to supply services
- a common agricultural policy
- a common transport policy
- a system for ensuring competition
- procedures for coordinating domestic economic policies and dealing with balance of payments problems
- removal of differences in national laws where necessary--for operating the common market
- a social fund to facilitate adjustment
- a European investment bank to assist development
- the association of dependent overseas territories
- provisions for admitting other European states to the Community
- provision for concluding "Unions of states" or association arrangements with other third countries or international organizations

The Treaty also set up institutions to run the Community, particularly a Council of Ministers, a Commission, a Court of Justice and a Parliament.