

Strength in Numbers:

The Treaty of Rome and the Economic Integration of Europe

Aaron Goodman

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European history is a story of perpetual rivalries, constant conflict, and continuous discord. Ever since the Middle Ages, European nation-states have battled one another due to disputes over religion, territory, and endless other issues. The years between 1929 and 1945 were no exception to this pattern, as Europe became economically isolated during the Great Depression and then engaged in the most disastrous war the world had ever seen. In the resulting turmoil and instability of the post-World War Two era, reversion to these age-old tendencies seemed to be the only possible route. The Treaty of Rome of 1957, however, launched Europe on an innovative new course that transcended national boundaries and was rooted in the ideals of economic cooperation and integration. By establishing the European Economic Community, the treaty replaced competition and protectionism with joint action and collaborative policies, and produced a dynamic supranational institution that was able to confront the complex challenges of the period. The Community continued to evolve and eventually became the European Union, one of the most influential international organizations in the world today.

Between the World Wars, Europe took economic isolationism to an extreme. The sudden collapse of the world economy in 1929 renewed the resentments and tensions that had been created during World War One, and the idea that international conflict was inevitable and unavoidable.¹ The “war mentality” was extended to the economic sector: nationalist and protectionist strategies were employed, and success at the expense of other nations was valued. Governments faced increasing domestic pressure to abandon internationalist ideals and provide immediate economic relief to their constituents.²

This isolationist economic philosophy manifested itself in numerous ways during the interwar years. First, the insistence of America, Britain, and France that Germany fully repay its war reparations³ created a complexity of debts and loans, increasing international hostility and

stifling capital flow.⁴ In addition, European nations failed to coordinate their responses to the Great Depression, relying on independent central banks and creating unharmonious monetary policies that increased currency instability and made exchange impossible.⁵ Perhaps the most significant ramification of economic policy during the Depression was the use of restrictive trade measures and tariffs. Employed to maintain self-sufficiency and protect domestic businesses against foreign competition⁶, tariffs only succeeded in inviting other countries to respond with their own, causing market conditions to spiral out of control and world trade to decrease by over twenty percent between 1929 and 1932.⁷

The effects of these policies were devastating. Britain's staggering 15.4 percent unemployment rate during the 1930's was representative of economic woes all over Western Europe⁸. Such desperate conditions were observed by Joseph Robinson, the United States Senate Majority Leader, when he visited Europe in December 1934. In a report published in the New York Times about his trip, Robinson told of "tariffs and quotas in force at every national border"⁹ and "restrictions [that] continue to interfere with trade and to delay the coming of prosperity."¹⁰ He described consumer goods shortages and factory closings in Germany as a result of import restrictions under Hitler's "self-sufficiency" program, and worsening domestic conditions in France, Holland, and Belgium due to new tariffs.¹¹ The isolationist and protectionist climate of the interwar years prevented economic recovery and worsened what was already a dire situation.¹²

The foundations of European economic integration were laid before the monumental Rome treaty in 1957. Soon after World War Two, American policymakers began to favor the idea of encouraging integration in Europe and formulated what would come to be known as the Marshall Plan.¹³ This new policy grew largely out of self-interest, as a healthy and unified

European economy would benefit American trade. Also, a leadership role in directing postwar European recovery would allow the United States to instill democratic and capitalist values while forestalling Soviet aggression and preventing communist influence.¹⁴ Named for Secretary of State George Marshall, the Marshall Plan was simple in its goals and principles. It stated that the war had destroyed the European economy, and that the United States' interests rested heavily on its recovery. America must, therefore, provide as much aid and support as possible, but rebuilding efforts must be led by Europe itself – America could not unilaterally reconstruct Western Europe.¹⁵ Marshall made this requirement clear: "...there must be some agreement among the countries of Europe as to the requirements of the situation...The initiative, I think, must come from Europe...The program should be a joint one, agreed to by a number, if not all, European nations."¹⁶

The Marshall Plan served as a catalyst for integration efforts already stirring in Europe. Two French government officials, Jean Monnet and Robert Schuman, had occupied leading roles ever since the early 1940's with their impassioned calls for economic cooperation. Monnet elaborated on his philosophy in a 1943 speech:

"There will be no peace in Europe if the States rebuild themselves on the basis of national sovereignty, with its implications of prestige politics and economic protection...We experienced this method in 1919 and we know the consequences of it...Europe will recreate itself once more in fear. The countries of Europe are not strong enough individually to be able to guarantee prosperity and social development for their peoples. The states of Europe must therefore form a federation or a European entity that would make them into a common economic unit."¹⁷

The Monnet Plan of 1947¹⁸ and Schuman Plan of 1950¹⁹ expanded on these ideals by advocating French leadership of an integration scheme that would begin by pooling European coal and steel resources and eventually result in complete economic union. In 1951, the Treaty of Paris fulfilled Monnet's and Schuman's preliminary goals by establishing the European Coal and Steel Community, a supranational institution that ensured a free international coal and steel market among its six member states.²⁰ The stage was now set for a momentous advance in the economic harmony of Western Europe.

Signed on March 25, 1957, by France, West Germany, Italy, Belgium, Luxembourg, and the Netherlands, the Treaty of Rome²¹ founded the European Economic Community and began a new era in European history.²² The preamble of the treaty revealed the ambitious and innovative spirit of the original members:

“Determined to lay the foundations of an ever closer union among the peoples of Europe, Resolved to ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe...Anxious to strengthen the unity of their economies and to ensure their harmonious development...Desiring to contribute...to the progressive abolition of restrictions on international trade....”²³

The economic resources of the different countries would now be harnessed through unprecedented cooperative action to create shared growth and prosperity.

In the introductory sections of the treaty, the core principles of the European Economic Community were pronounced,²⁴ the most important of which was the creation of an “internal market...without frontiers in which the free movement of goods, persons, services, and capital is ensured.”²⁵ This “internal market” or “common market” was the foundation of the entire

Community structure. Thus the treaty immediately sought to rectify the isolationist and protectionist measures of the Depression with a pioneering new policy of free trade.²⁶

Next, the treaty listed the specific policies of the Community and explained how they were to be carried out.²⁷ First, the free movement of goods was ensured through the creation of a customs union within the Community. All restrictive trade measures, including tariffs, duties, and quotas, were prohibited between member states, and all member states were required to have the same external tariff²⁸ when trading with non-Community countries.²⁹ These stipulations led into the Community's common commercial policy, which mandated that the member states act as one body in their relations with non-member countries. It also declared that the Community would aim to liberalize trade with outside countries as much as possible.³⁰ The treaty then addressed the agricultural sector by calling for a special conference of the member states to construct a common agricultural policy. Details were left to the conference to decide, but the treaty required that this policy increase production, improve the standard of living for farmers, and stabilize prices and markets.³¹ In the following section the free movement of workers was guaranteed by the prohibition of migratory restrictions and discrimination based on nationality. Workers were free to seek employment in any of the member states, and the Community could pass legislation that facilitated the international exchange of labor.³² A similar policy was established with regard to services, as citizens and companies were given the right to provide services without interference anywhere within the Community. Arrangements were also made for the free movement of capital and payments and minor steps were taken toward exchange rate coordination, though the establishment of a common currency was achieved mostly through later treaties.³³

The treaty's final provisions created the institutional framework that implemented the policies of the European Economic Community. The Community structure revolved around three central bodies, each with its own responsibilities. The Council was the first listed, charged with coordinating the economic policies of the member states and legislating on proposals made by the next agency, the Commission.³⁴ The Commission could also act on its own and implement measures to ensure the treaty was obeyed.³⁵ Lastly, an independent European Investment Bank was created that distributed loans and made investments to further the development of the common market, using funds from the member states.³⁶

The implications of the treaty were profound. Six formerly competing economies became one, allowing equal access to resources and markets. Instead of prohibiting international trade on protectionist grounds, the Community countries encouraged free exchange as a means to mutual prosperity. The member states willingly sacrificed some of their sovereign power in order to form a supranational institution that promised enhanced economic development. In the words of Luxembourg Prime Minister Joseph Bech, "Today is the first time in their history that the peoples of Europe associate themselves freely...by substituting for their economic rivalries an organization founded on the common interest."³⁷

Many of the Community's primary goals were fulfilled in the early years of the 1950's and 1960's. The first stage of tariff reductions was scheduled to take place in 1959, requiring member states to lower internal customs duties by ten percent and raise import quotas³⁸ by twenty percent. This was seen as a daunting task because it was the first major deadline imposed on the member states, and the fierce anti-internationalist Charles de Gaulle had just taken office in France. But neither France nor any of the other members obstructed, and the early test was passed. This success was so encouraging that the timetable for further tariff reductions through

the 1960's was accelerated.³⁹ The Community also lived up to its common commercial policy at the Kennedy Round negotiations⁴⁰ of the mid-1960's. The member states acted as one body, lowering tariff rates with the United States and other outside countries⁴¹ while also gaining international prominence and recognition for the Community.⁴² The European Investment Bank was officially established in 1961 and immediately began providing capital for projects in the internal market.⁴³ Perhaps the most important achievement was the implementation of the common agricultural policy in the late 1960's.⁴⁴ Based on a high common external tariff for agricultural goods⁴⁵ and a system of price guarantees and subsidies for farmers, it increased production⁴⁶ and created a single internal agricultural market.⁴⁷ The common market was developing steadily, as internal Community trade grew to twice as much as external trade with non-member countries by 1961, and was three times as much by the late 1960's. Also by 1961, just four years after the signing of the Treaty of Rome, the Community had become the world's largest economic trading unit.⁴⁸

The initial success of the six original member states is also evidenced by the desire of more European nations to enter the Community. The first enlargement came in 1973 with the addition of the United Kingdom⁴⁹, Ireland, and Denmark. Greece then joined in 1981, and Spain and Portugal were accepted in 1986.⁵⁰

Despite its early progress, the Community did have its challenges, including competition with the European Free Trade Association.⁵¹ The most prominent issue, however, was the internal rifts caused by de Gaulle and the French. Due to his dislike of supranational institutions, de Gaulle attempted to minimize the Community structure and replace it with increased collaboration among the member states' national governments.⁵² Few other members supported his ideas, and the disagreement culminated with the "empty-chair" crisis of 1965. Although this

impasse was soon resolved, it created a lasting feeling of hostility and left the Community “semi-paralyzed”⁵³ in the crucial period of the 1960’s.⁵⁴

The European Economic Community has undergone a series of evolutions to reach its present form. The 1965 Merger Treaty was the first major change, combining the European Coal and Steel Community, the European Atomic Energy Community, and the European Economic Community into a single institution.⁵⁵ In 1986, the Single European Act continued this consolidation process.⁵⁶ The most important development since Rome was the Maastricht Treaty in 1992, which created the European Union and placed the Community in its new “pillar” structure. It also established European citizenship and Economic and Monetary Union (the euro currency), and marked the beginning of European political integration.⁵⁷ The Treaty of Amsterdam in 1997⁵⁸ and the Treaty of Nice in 2000⁵⁹ revised and centralized the previous treaties and prepared the European Union for expansion in the twenty-first century.

What began as a revolutionary common market agreement between six countries in 1957 has developed into one of the world’s most influential organizations. The European Union currently contains twenty-seven member states⁶⁰ and governs a population of 495 million people, compared to the United States’ population of 301 million.⁶¹ Its powers touch all areas of European citizens’ lives, expanding beyond the original economic responsibilities to include politics, foreign policy, environmental protection, and many more.⁶² The Union’s gross domestic product is the largest in the world, and its imports and exports make up twenty percent of world trade.⁶³

The European Union continues to play an active role in governing the economic affairs of present-day Europe, as shown by the recent developments in European currency. Arising from beliefs that currency harmonization was essential to the survival of the common market,⁶⁴

unsuccessful attempts were made at exchange rate coordination during the 1970's and 1980's.⁶⁵ Economic and Monetary Union was finally settled on at Maastricht in 1992, requiring member states to join the program through a series of stages. These steps culminated with the issuance of the euro currency by the European System of Central Banks.⁶⁶ Now used by sixteen of the twenty-seven member states and 329 million European citizens,⁶⁷ the euro is the world's second-most important currency behind the American dollar.⁶⁸

The signing of the Treaty of Rome in 1957 marked a fundamental reversal in the way Europe functioned. No longer would its citizens suffer from stagnation and recession while independent national governments assured their own economic demise with isolationist and protectionist policies. Europe discovered that peace, stability, and progress were not the result of antagonism or competition, but instead emanated from a new source: unity.

¹ Harold James, *The End of Globalization: Lessons from the Great Depression*. (Cambridge, MA: Harvard University Press, 2001). 10-11, 24, 29. The shock of the 1929 collapse was enhanced by the fact that the international economy had been becoming increasingly globalized and interdependent in the late nineteenth and early twentieth centuries. The Great Depression abruptly put an end to this trend and made globalization seem unsustainable.

² Patricia Clavin, *The Failure of Economic Diplomacy: Britain, Germany, France and the United States, 1931-36*. (London: Macmillan Press Ltd., 1996). 1, 3-4. The international market was seen as unstable and unreliable, and domestic economic resources could not be risked in it.

³ Yale Law School: The Avalon Project, "The Versailles Treaty June 28, 1919." http://avalon.law.yale.edu/subject_menus/versailles_menu.asp (accessed September 28, 2009). By article 231 of the Treaty of Versailles (the war guilt clause), Germany was forced to accept full responsibility for World War One and pay compensation for all types of damages caused by the war. This amount was later determined to be \$32 billion.

⁴ Clavin, 49-59. America, Britain, and France neglected the fact that international trade could not take place if countries were in debt to one another. Debtor nations could not buy anything, and creditor nations could not find any trading partners.

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- ⁵ James, 31,35-37, 40-48. European countries employed different tactics with respect to inflation, deflation, and adherence to the gold standard.
- ⁶ *Ibid.*, 110-112, 116-117. Tariffs were most often employed to protect the most important domestic industry of the time – agriculture. They were politically useful because they roused support from protectionist voters, and were sometimes used against foreign nations in order to achieve non-economic foreign policy goals.
- ⁷ *Ibid.*, 102-103, 164-165.
- ⁸ Carlos Sabillon, *World Economic Historical Statistics*, (New York: Algora Publishing, 2005). 183.
- ⁹ Joseph T. Robinson, “Economic Handicaps in Europe Depicted by Senator Robinson,” *New York Times*, December 23, 1934, <http://select.nytimes.com/mem/archive/pdf?res=F70A17F73B5A107A93C1AB1789D95F408385F9> (accessed May 9, 2010).
- ¹⁰ *Ibid.*
- ¹¹ *Ibid.*
- ¹² James, 26-27.
- ¹³ Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*. (New York: Cambridge University Press, 1987). 28-29, 33-38. This shift in policy came after failed attempts at distributing smaller amounts of aid to multiple organizations like the International Monetary Fund, the United Nations, and the International Bank for Reconstruction and Redevelopment, instead of concentrating aid in Europe itself.
- ¹⁴ *Ibid.*, 26-27. The Cold War had begun, and America was determined to prevent the Soviet Union from gaining control of Western European economic resources.
- ¹⁵ Marshall Foundation, “The Marshall Plan Speech: Secretary of State George C. Marshall, Harvard University Commencement, Cambridge, Massachusetts, June 5, 1947.” <http://www.marshallfoundation.org/documents/MarshallPlan.pdf> (accessed September 28, 2009). Marshall made his plan public on June 5, 1947, in his commencement speech at Harvard University.
- ¹⁶ *Ibid.*
- ¹⁷ Universiteit Leiden: European Union History, The Schuman Plan Collection, “Note de reflexion de Jean Monnet, Alger, le 5 août 1943.” <http://www.hum.leiden.edu/history/eu-history/historical/schuman.html> (accessed May 2, 2010). Monnet made this speech to the French National Liberation Committee in Algiers on August 5, 1943.
- ¹⁸ François Duchêne, *Jean Monnet: The First Statesman of Interdependence*. (New York: Norton, 1994). 145-146, 148-152. The Monnet plan had the dual aims of strengthening French industry and centering European reconstruction in France while also ensuring a weakened Germany by repossessing German coal and steel resources for use by the Community.
- ¹⁹ Robert Schuman, *Pour L'Europe*. (Paris: Éditions Nagel, 1964). 154-157.
- ²⁰ Europa, “Treaty Establishing the European Coal and Steel Community, Paris, 18 April 1951.” http://eur-lex.europa.eu/en/treaties/dat/11951K/tif/TRAITES_1951_CECA_1_EN_0001.tif (accessed September 28, 2009). The six founding states of the European Coal and Steel Community were the same six that signed the Treaty of Rome and formed the European Economic Community in 1957: France, West Germany, Italy, Belgium, Luxembourg, and the Netherlands.
- ²¹ Clive H. Church and David Phinnemore, *The Penguin Guide to the European Treaties*. (London: Penguin, 2002). 200. Two treaties were actually signed in Rome, one creating the European Economic Community and one creating the European Atomic Energy Community. The treaty discussed here is the one that established the Economic Community.
- ²² *Ibid.* The treaty has been revised numerous times since 1957, and its structure and substance have changed substantially. For clarity, this paper refers to its revised structure, in which it is divided into six parts and 314 articles. But the substance discussed in this paper is that of 1957, and later additions and revisions are not included.
- ²³ Europa, “Consolidated Version of the Treaty Establishing the European Community.” <http://eur-lex.europa.eu/en/treaties/dat/11997E/htm/11997E.html#0173010078> (accessed May 8, 2010).
- ²⁴ Church and Phinnemore, 211, 224-228. Only Parts One, Three, and Five are discussed at length here because the others deal with technical and administrative matters not essential to understanding the treaty or the European Economic Community.
- ²⁵ *Ibid.*, 227. The free movement of goods, persons, services, and capital is often referred to as the “four freedoms.”
- ²⁶ *Ibid.*, 211, 224-228. The principle of subsidiarity is also established in Part One, which states that the Community would act only in cases where the individual member states could not.
- ²⁷ *Ibid.*, 234-236.

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- ²⁸ Derek W. Urwin, *The Community of Europe: A History of European Integration since 1945*. (London; New York: Longman, 1995). 79-80. This external tariff is to be calculated by using an average of each member state's external tariff over a specified timetable.
- ²⁹ Church and Phinnemore, 236-241.
- ³⁰ *Ibid.*, 322-324.
- ³¹ *Ibid.*, 241-246. Agricultural policy should technically be governed by the provisions on the internal market and customs union, but it gets its own section in the treaty due to its uniqueness and importance to the European economy.
- ³² *Ibid.*, 249-253. The right of establishment is also guaranteed, which is the right of a citizen to start a business or "pursue economic activity" in any of the member states.
- ³³ *Ibid.*, 256-257.
- ³⁴ *Ibid.*, 379-381, 387-390. The Council, also known as the Council of Ministers, is composed of one representative from each member state, and can vote either by simple majority or by "qualified majority," where each member's vote is weighted based on the population of the country he represents.
- ³⁵ *Ibid.*, 391-393, 398-402. The Commission is composed of one or two representatives per member state and acts by simple majority voting.
- ³⁶ *Ibid.*, 370-379, 405, 412-418, 421-424, 434, 437-438, 442-443. Other less important institutions include the European Parliament and the Economic and Social Committee, which are advisory bodies without legislative or financial powers; and the Court of Justice and the Court of Auditors, who settle disputes between Community institutions and member states.
- ³⁷ European Navigator, "Discours de Joseph Bech (Rome, 25 mars 1957)." <http://www.ena.lu/> (accessed May 10, 2010). This quote comes from Bech's address to the conference of delegates at the signing of the Rome treaty on March 25, 1957.
- ³⁸ Urwin, 85. This raise in import quotas required Community members to import more goods from fellow member states.
- ³⁹ *Ibid.*
- ⁴⁰ *Ibid.*, 131. The Kennedy Round negotiations were sponsored by the General Agreement on Tariffs and Trade (GATT), and took place in Geneva, Switzerland.
- ⁴¹ *Ibid.* The sole Community representative for the negotiations was the Commission.
- ⁴² Phinnemore, David and Alex Warleigh-Lack, ed., *Reflections on European Integration: 50 Years of the Treaty of Rome*. (New York: Palgrave Macmillan, 2009). 14-15.
- ⁴³ Urwin, 85. The Bank was especially helpful in making loans to underdeveloped areas in Italy.
- ⁴⁴ *Ibid.*, 132.
- ⁴⁵ Philip Thody, *Europe Since 1945*. (New York: Routledge, 2000). 173.
- ⁴⁶ Sabillon, 179-187. Agricultural production increased in five of the six member states through the 1960's and 1970's (it decreased in Belgium).
- ⁴⁷ Urwin, 134-135. The common agricultural policy also had its critics, who complained about the protectionist tariff and inflation caused by the price guarantees.
- ⁴⁸ *Ibid.*, 85, 130.
- ⁴⁹ *Ibid.*, 120-126, 139. This was the United Kingdom's second application to join the Community. The first was in 1961, when it was rejected due to France's "no" vote under President Charles de Gaulle.
- ⁵⁰ Thody, 208-211.
- ⁵¹ Urwin, 101. The European Free Trade Association was a rival integration scheme led by the United Kingdom, and the European Economic Community could not reach an agreement to collaborate with it. The issue was mostly resolved, though, when the United Kingdom joined the Community in 1973.
- ⁵² *Ibid.*, 101-107. de Gaulle endorsed the Fouchet Plan, which called for regular meetings of the national governments and intergovernmental committees with more power than Community institutions such as the Council and the Commission.
- ⁵³ Edward Cowan, "New Crisis in European Economic Community; Brought on by de Gaulle Challenge," *New York Times*, October 2, 1965, <http://select.nytimes.com/mem/archive/pdf?res=F10913FE3855157B8EDDAB0894D8415B858AF1D3> (accessed May 10, 2010).
- ⁵⁴ *Ibid.*, 107-111, 113-115. The "empty-chair" crisis began when the French abruptly left a Council meeting amidst debate over agricultural policy and left their seat "empty." It was resolved the next year in 1966 with the Luxembourg Compromise, which appeased de Gaulle by calling for closer collaboration between the Council and national governments.

⁵⁵ Church and Phinnemore, 34-35.

⁵⁶ Europa, "Single European Act." http://eur-lex.europa.eu/en/treaties/dat/11986U/tif/JOL_1987_169_1_EN_0002.tif (accessed November 22, 2009). The Single European Act also expanded Community powers into some new areas, such as foreign policy.

⁵⁷ Europa, "Treaty on European Union." <http://eur-lex.europa.eu/en/treaties/dat/11992M/htm/11992M.html> (accessed November 22, 2009). The new structure consisted of three "pillars": the European Economic Community (now officially renamed the European Community), Justice and Home Affairs, and Common Foreign and Security Policy. European citizenship allows for the free movement of citizens within the European Union without a passport.

⁵⁸ Europa, "Treaty of Amsterdam Amending the Treaty on European Union, the Treaties Establishing the European Communities and Related Acts." <http://eur-lex.europa.eu/en/treaties/dat/11997D/htm/11997D.html> (accessed November 22, 2009). The treaty also focused on the freedom and individual rights of European citizens.

⁵⁹ Europa, "Treaty of Nice Amending the Treaty on European Union, the Treaties Establishing the European Communities and Certain Related Acts." <http://eur-lex.europa.eu/en/treaties/dat/12001C/htm/12001C.html> (accessed November 22, 2009).

⁶⁰ Phinnemore and Warleigh-Lack, ed., 194.

⁶¹ Europa, "Key Facts and Figures about Europe and the Europeans." http://europa.eu/abc/keyfigures/index_en.htm (accessed December 26, 2009). These populations statistics are from 2007.

⁶² Theo Hitiris, *European Union Economics*. (Harlow, England; New York: Prentice Hall/Financial Times, 2003). 54-55, 337-338.

⁶³ Europa, "Key Facts and Figures about Europe and the Europeans." The gross domestic product statistics are from 2007 and the trade statistics are from 2005. The European Union is the world's largest exporter and second-largest importer.

⁶⁴ Anthony Pagden, ed., *The Idea of Europe: From Antiquity to the European Union*. (Washington, DC: Woodrow Wilson Center Press; Cambridge; New York: Cambridge University Press, 2002). 261-262.

⁶⁵ Hitiris, 140. These failed attempts included the European Monetary System and the Exchange Rate Mechanism, which tried to stabilize exchange rates without creating a common currency.

⁶⁶ Hitiris, 145.

⁶⁷ Europa, "European Commission Economic and Financial Affairs: The Euro." http://ec.europa.eu/economy_finance/the_euro/index_en.htm?cs_mid=2946 (accessed November 28, 2009). The most notable member state who does not use the euro is the United Kingdom.

⁶⁸ Nicholas Kulish, "Germany, Forced to Buoy Greece, Rues Euro Shift," *New York Times*, February 10, 2010, <http://www.nytimes.com/2010/02/11/world/europe/11germay.html?scp=40&sq=greece+euro&st=nyt> (accessed May 12, 2010). The sustainability of the euro currency has been called into question by the current debt crisis in Greece. Fellow euro zone members, such as Germany, have been forced to send billions of euros in aid packages to Greece in order to prevent ripple effects throughout the rest of the European economy. The interdependent and unstable nature of the euro system has been exposed and the commitment of some member states to European unity is wavering.

Annotated Bibliography

Primary Sources

Cowan, Edward. "New Crisis in European Economic Community; Brought on by de Gaulle Challenge." *New York Times*, October 2, 1965, <http://select.nytimes.com/mem/archive/Pdf?res=F10913FE3855157B8EDDAB0894D8415B858AF1D3> (accessed May 10, 2010).

This article provided me with a primary account of the "empty-chair" crisis, an important development in the early period of the European Economic Community. It aided me in understanding the complex issues behind de Gaulle's boycott, and supplied a quote that was useful in describing the situation.

Duchêne, François. *Jean Monnet: The First Statesman of Interdependence*. New York: Norton, 1994.

Monnet's biography, written through personal accounts by one of his former speechwriters, provided me with firsthand knowledge of the famed Monnet Plan, which I utilized when discussing early European economic integration before the Treaty of Rome.

Europa, "Consolidated Version of the Treaty Establishing the European Community." <http://eur-lex.europa.eu/en/treaties/dat/11997E/htm/11997E.html#0173010078> (accessed May 8, 2010).

Access to this official reproduction of the original Rome treaty was essential in allowing me to analyze the formation of the European Economic Community and to draw my own conclusions about it.

Europa, "Single European Act." http://eur-lex.europa.eu/en/treaties/dat/11986U/tif/JOL_1987_169__1_EN_0002.tif (accessed November 22, 2009).

One of the first major changes to the European economic integration structure, this treaty was especially useful in my explanation of the evolution of the European Economic Community.

Europa, "Treaty Establishing the European Coal and Steel Community, Paris, 18 April 1951." http://eur-lex.europa.eu/en/treaties/dat/11951K/tif/TRAITES_1951_CECA_1_EN_0001.tif (accessed September 28, 2009).

The Treaty of Paris was the first substantial act of postwar European integration and was very important in my discussion of integration before the Treaty of Rome. It enabled me trace the beginnings of the ideas solidified in the Treaty of Rome, and to analyze what made the Treaty of Rome different from previous integration treaties.

Europa, "Treaty of Amsterdam Amending the Treaty on European Union, the Treaties Establishing the European Communities and Related Acts." <http://eur-lex.europa.eu/en/treaties/dat/11997D/htm/11997D.html> (accessed November 22, 2009).

The Amsterdam Treaty made substantial changes to all of the previous European treaties, and it was therefore necessary that I include it when explaining how the European Union has reached its present state.

Europa, "Treaty of Nice Amending the Treaty on European Union, the Treaties Establishing the European Communities and Certain Related Acts." <http://eur-lex.europa.eu/en/treaties/dat/12001C/htm/12001C.html> (accessed November 22, 2009).

Similar to the Treaty of Amsterdam, the Treaty of Nice revised previous treaties and introduced new ideas and principles to European integration, and was an important part of my discussion of the European Economic Community's evolution into the present-day European Union.

Europa, "Treaty on European Union." <http://eur-lex.europa.eu/en/treaties/dat/11992M/htm/11992M.html> (accessed November 22, 2009).

Perhaps the most important development since the Treaty of Rome, the Maastricht Treaty establishing the European Union was the central part of my discussion of the evolution of the European Economic Community. It enabled me to explain the ways in which the relatively small Community has grown and matured into the largest economic and political unit in the world.

European Navigator, "Discours de Joseph Bech (Rome, 25 mars 1957)." <http://www.ena.lu/> (accessed May 10, 2010).

A transcript (in the original French language) of Luxembourg Prime Minister Joseph Bech's address at the signing of the Treaty of Rome in 1957, this source proved especially helpful in analyzing the significance of the treaty and Europe's reaction to it.

Kulish, Nicholas. "Germany, Forced to Buoy Greece, Rues Euro Shift." *New York Times*, February 10, 2010, <http://nytimes.com/2010/02/11/world/europe/11germany.html?scp=40&sq=greece+euro&st=nyt> (accessed May 12, 2010).

This article was useful in examining the Greek debt crisis and the response of fellow euro zone countries. The situation in Greece has raised questions about the European Union and the euro currency and is important in understanding the current state of European unity.

Marshall Foundation, "The Marshall Plan Speech: Secretary of State George C. Marshall, Harvard University Commencement, Cambridge, Massachusetts, June 5, 1947." <http://www.marshallfoundation.org/documents/MarshallPlan.pdf> (accessed September 28, 2009).

The text of the Marshall Plan Speech allowed me to examine American aims and motives in encouraging postwar European integration, and was the starting point in my review of integration before the Treaty of Rome.

Robinson, Joseph T. "Economic Handicaps in Europe Depicted by Senator Robinson." *New York Times*, December 23, 1934, <http://select.nytimes.com/mem/archive/pdf?res=F70A17F73B5A107A93C1AB1789D95F408385F9> (accessed May 9, 2010).

This New York Times article, written by Senator Robinson about his 1934 trip to Europe, provided me with a primary account of the economic situation in Europe in the 1930's. Robinson's observations aided my analysis of protectionist economic policies and their resulting effects on domestic European economies.

Sabillon, Carlos. *World Economic Historical Statistics*. New York: Algora Publishing, 2005.

This collection of raw economic statistics proved to be a valuable tool in expanding my analysis of the Great Depression and the short-term impact of European Economic Community policies in the 1960's and 1970's.

Schuman, Robert. *Pour L'Europe*. Paris: Éditions Nagel, 1964.

Schuman's memoirs provided me with his own account of early integration and the European Coal and Steel Community. This was another useful source in examining the beginnings of European integration that took place before the Treaty of Rome.

Universiteit Leiden: European Union History, The Schuman Plan Collection, "Note de reflexion de Jean Monnet, Alger, le 5 août 1943." <http://www.hum.leiden.edu/history/eu-history/historical/schuman.html> (accessed May 2, 2010).

This primary transcript of Jean Monnet's 1943 speech to the Free French Committee (in the original French language) allowed me to analyze the Monnet Plan in greater depth in my discussion of integration efforts before the Treaty of Rome.

Yale Law School: The Avalon Project, "The Versailles Treaty June 28, 1919." http://avalon.law.yale.edu/subject_menus/versailles_menu.asp (accessed September 28, 2009).

The Versailles Treaty was helpful in discussing war debts and reparations payments and their impact on the isolationism and protectionism that developed in the international economy between the World Wars.

Secondary Sources

Church, Clive H. and David Phinnemore. *The Penguin Guide to the European Treaties*. London:

Penguin, 2002.

A reproduction of the Treaty of Rome and other related documents, this book also includes helpful commentary and annotations by two scholars on European integration that aided me in understanding the sometimes complex original language of the treaty.

Clavin, Patricia. *The Failure of Economic Diplomacy: Britain, Germany, France and the United States, 1931-36*. London: Macmillan Press Ltd., 1996.

This detailed account of the international economy during the Great Depression enabled me to examine the causes and consequences of isolationism and protectionism in that period. It was necessary to do so in order to explain the innovation of economic cooperation that the Treaty of Rome established.

Europa, "European Commission Economic and Financial Affairs: The Euro." http://ec.europa.eu/economy_finance/the_euro/index_en.htm?cs_mid=2946 (accessed November 28, 2009).

The official website of the European Commission supplied useful statistics and facts that I made use of when discussing the importance of the Euro currency.

Europa, "Key Facts and Figures about Europe and the Europeans." http://europa.eu/abc/key_figures/index_en.htm (accessed December 26, 2009).

I was able to find many useful statistics about the present size and economic power of the European Union from its official website.

Hitiris, Theo. *European Union Economics*. Harlow, England; New York: Prentice Hall/Financial Times, 2003.

This source provided much information about the size, structure, functions, and international role of the European Union. It was essential in discussing the present condition of the Economic and Monetary Union (the euro currency).

Hogan, Michael J. *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*. New York: Cambridge University Press, 1987.

The Marshall Plan was the catalyst for all substantial European integration that took place in the 1950's. This book extensively analyzed the Marshall Plan and was very useful in discussing early integration, and how the Marshall Plan caused it.

James, Harold. *The End of Globalization: Lessons from the Great Depression*. Cambridge, MA: Harvard University Press, 2001.

Focusing on trade, monetary, and migratory barriers, this account of the Great Depression provided invaluable information about international isolationism and protectionism, and the ways in which they were put into practice.

Pagden, Anthony, ed. *The Idea of Europe: From Antiquity to the European Union*. Washington, DC: Woodrow Wilson Center Press; Cambridge; New York: Cambridge University Press, 2002.

This source proved useful in evaluating more recent developments in European integration, especially the development of the Euro currency and the operations of the European Union.

Phinnemore, David and Alex Warleigh-Lack, ed. *Reflections on European Integration: 50 Years of the Treaty of Rome*. New York: Palgrave Macmillan, 2009.

A compilation of scholarly essays, this book supplied me with interpretations and analyses about European integration policy over the long term, from The Treaty of Rome through the most recent developments.

Thody, Philip. *Europe Since 1945*. New York: Routledge, 2000.

A detailed history of postwar Europe, this source was helpful in multiple parts of my paper, including my discussions of the Common Agricultural Policy and the enlargement of the European Economic Community.

Urwin, Derek W. *The Community of Europe: A History of European Integration Since 1945*. London; New York: Longman, 1995.

This comprehensive review of European integration after 1945 provided information that was valuable in multiple aspects of my paper, especially the early functioning of the newly formed European Economic Community in the 1950's and 1960's.