

THE MAASTRICHT TREATY

TRATATUL DE LA MAASTRICHT

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Abstract:

The edifice build by the Rome Treaty and completed by the Single European Act obliged the community towards a very ambitious economic and monetary policy whose goal was the single currency. The Single European Act went into effect on July, 1, 1987; it set the date for accomplishing a common market on December, 31, 1992, foreseeing free circulation of goods, services, capital and people across the community. The new elements that The Maastricht Treaty introduced are: first, the idea of western European political union and second, the introduction of a single currency by 1999. Taking part in a common currency area brings benefits but there are also obligations. Some benefits are:

- a. cost reduction of currency exchange*
- b. currency risk reduction*
- c. prevention of competitive devaluation*
- d. foreseeing of speculative attacks*
- e. single currency will help spreading and merger of financial markets*

Key words: *single currency, European Commitee, European Central Bank, Political Union, free market*

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