

'How the Common Market was born in the Château of Val Duchesse' from Communauté européenne (March 1967)

Caption: In March 1967, ten years after the Val Duchesse negotiations, Emanuele Gazzo, Editor-in-Chief of Agence Europe, looks back on the debates that took place during the Intergovernmental Conference on the Common Market and Euratom.

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How the Common Market was born in the Château of Val Duchesse

Emanuele Gazzo, Director of Agence Europe, observed the Common Market negotiations very closely. Ten years on, he recalls the dramatic confrontation in Val Duchesse which led to the Treaty of Rome.

We are happy to present to our readers this exclusive story which sheds new light on an era and, in particular, on a novel negotiating procedure, which enabled Europeans to set out on the great adventure of a united Europe.

How do we see Val Duchesse in our remembrance of things past? It will appear in the history books only as a place, a place where a few experts met at a particular period in time to draw up a treaty. Although some people may not be totally sure where it is, the name is an evocative one. The Château of Val Duchesse, or Hertogewindaal in Flemish, may not sound quite Wagnerian, yet it does have a romantic flavour. It is a name more likely to inspire a poem about some sleeping beauty than to help with the wording of safeguard clauses to combat unequal pay between men and women.

And yet I know that this name, once heard, will trigger off something in the minds of the men who made such a decisive contribution to European integration. 'Val Duchesse' is a small, densely wooded estate, surrounding a small lake, in the Brussels green belt.

To the passer-by, the name might suggest a magical world peopled with elves and gnomes, a place to dream in; yet we know that Val Duchesse once meant an important venue, a particular era and, above all, *a procedure*. I believe that this place probably matched what Mr Spaak had in mind when he asked the Belgian Government to provide him with a quiet and isolated spot, off the beaten track, something between a monastery and a millionaires' clinic. When Mr Spaak saw what he was being offered he must have said to himself: *'I shall be able to keep them firmly in hand here. And I shall not let them go until they have given all that they must give.'*

The three eras of Val Duchesse

The 'Val Duchesse era' was fairly short. In truth, there were three 'Val Duchesse eras'.

The first was the era of the 'Intergovernmental Conference for the Common Market and Euratom', the Spaak era, which opened with the Venice Conference (on 3 September 1956, to be precise) and closed with the signature of the Treaties in Rome on 25 March 1957.

The second was the era of the 'Interim Committee', which came into being with the signature of the Treaties and was dismantled when the Treaties entered into force. This was the 'Snoy era', marked by the struggle, at times unequal but in the end victorious, against the forces that were trying to kill off the baby before it could even walk.

The third opened with the 'oath of Val Duchesse', when the nine members, who had only recently been appointed, solemnly declared that they would abide by the Treaty, after which they embarked on the difficult organisational work. This was the heroic era. Basically, it is not yet at an end, for the Members of the Commission still meet in Val Duchesse from time to time when they want to hold 'discreet' talks and immerse themselves again in the atmosphere of bygone days.

When we talk about the 'Val Duchesse era', we cannot, of course, look simply at the Spaak era, the time of dramatic meetings, of hopes that were sometimes dashed, successes that came unexpectedly. This was the Val Duchesse of the historic communiqués and of the cars stuck in the mud, when Wormser played opposite Müller-Armack, and when Professor Vedel and Michel Gaudet discussed the possibility of justifying in constitutional terms the European Commission's right to propose legislation.

The relaunch

If we want to understand that era, we shall have to go back a little further in time, towards some of the beginnings that Roger Massip describes in this publication. For me, it all started on a particular day towards the end of April 1955, when a diplomat rang me and asked me to come and see him.

He handed me a document and pointed to an armchair: 'Sit down and read this while I finish correcting my report', he said. 'But above all, do not take notes.' It was a document, consisting of three typed pages, which did not look specially important and which started by emphasising the need to get back on track and 'relaunch' the process of European integration that had begun with the creation of the ECSC. Then it set out a range of options. The first of these concerned ECSC-type integration, i.e. integration 'by sector': European transport, the electricity industry and atomic energy. There was a separate section about the possibility of establishing a *Common Market* in which all the economic sectors would be merged apart from coal and steel, which had already been integrated.

This was the draft Memorandum that the three Benelux countries proposed to submit to their partners.

Needless to say, I had to wait a few days before I could say anything. The document was officially presented to the six Community governments on 20 May 1955, and a Foreign Ministers Conference was convened in Messina for 1 June 1955. I was among the very first to announce that the hoped-for relaunch was about to happen. Everything had been well prepared. On 14 May, the ECSC Parliamentary Assembly had rapidly adopted a resolution calling on the governments to instruct one or more Intergovernmental Conferences to draw up draft treaties on the next stages of European integration. The governments were literally letting themselves be 'driven' by the MEPs, hoping that they would subsequently be supported by their national parliaments.

In Messina, the governments decided that European unification required the establishment of common institutions and the gradual merger of national economies, etc., 'in order to restore to Europe its influence and its prestige in the world'.

The Messina Resolution already included fairly specific statements about the characteristics of a Common Market; but it also included statements about sectoral integration, which made the whole thing look a little confused.

Let me also recall that Messina was the birthplace of 'the procedure', for which we must thank the Benelux countries, of entrusting the preliminary negotiations, and then the negotiations proper, to an eminent politician. The Ministers took the decision one month later, and Mr Spaak became Chairman of the 'Intergovernmental Committee' consisting of government delegates assisted by experts. These delegates did not commit their governments in any way and had to cooperate with experts from international and British bodies.

The Intergovernmental Committee

I remember the first meeting of this 'Intergovernmental Committee', which took place on 9 July 1955, at the Belgian Foreign Ministry in rue de la Loi, Brussels. Mr Spaak was in the chair, the heads of delegation were Baron Snoy for Belgium, Ambassador Ophüls for the German Federal Republic, Mr Félix Gaillard for France, Mr Benvenuti for Italy, Ambassador Lambert Schaus for Luxembourg, Professor Verrijn Stuyt for the Netherlands and Mr Bretherton, Under-Secretary at the Board of Trade, for the United Kingdom.

I also remember that the small band of journalists attracted by this story showed most interest in Mr Bretherton: we could not believe our eyes: an Englishman was working with the 'Six'. We were not surprised for very long, because Mr Bretherton let it be known that he was there because he had been invited but that he did not want to be regarded even as an observer.

Mr Spaak set up committees and subcommittees, and work began on 20 July 1955. We all worked very conscientiously, but at times we felt that the tension had eased.

The Ministers of the 'Six' held a conference in Noordwijk in early September. I remember that enormous beach, already deserted and swept by a cold wind. The few journalists who turned up were disappointed. Mr Spaak was not pleased. He explained that it was now a matter of compiling the data and setting out various options. In fact, in late October he asked the experts to give him the files that they had prepared and asked the United Kingdom to choose, because the time had come to work on the basis of a certain 'hypothesis', namely the establishment of a genuine Common Market.

It was by bringing his political responsibility into play that Mr Spaak managed to get the go-ahead at the Foreign Ministers Conference that met in Brussels on 12 February 1956. Mr Guy Mollet had only recently formed his government, and Mr Pineau had assigned Mr Maurice Faure the job of monitoring Community activities. That was to turn him into one of the most brilliant players in the next Val Duchesse era and one of the most courageous defenders of French interests.

The 'Spaak Bible'

This delicate stage, which ranged from the adoption of rather confused and simplistic texts in Messina to the basic principles of the Common Market that were then translated into legal provisions in Val Duchesse, saw what was one of the most interesting and, in my opinion, most fruitful syntheses of modern economic history: the synthesis between different concepts of economic liberalism. The Treaty achieved a balanced synthesis between the French and Dutch concepts of 'economic union'. The fact that, on several occasions, the French and Dutch threatened to walk out shows that the final achievement of this balance was a success for Europe.

This climate of intellectual creativity gave rise to a kind of Bible, known as the 'Spaak Report'.

This was the moment when an exceptional figure made his mark, that great inventor of European ideas, Pierre Uri, who was responsible for the dossiers drawn up by the very select working party around Mr Spaak. Armed with an extraordinary knowledge of the issues concerned and an acute mind, he left Brussels and hid away in Cap Ferrat, near Nice, for a few weeks, in the company of several top-ranking colleagues, including Mr von der Groeben, a young Departmental Head in the German Ministry of Economic Affairs.

It did not take long to get results. On 21 April 1956, the heads of delegation adopted the Spaak Report, and the governments discussed it in Venice on 29 and 30 May at what was christened the 'Last Chance Conference'. The Spaak Report became the basic document for the next round of negotiations, when the governments committed themselves vis-à-vis the Intergovernmental Conference responsible for drafting the two Treaties, one establishing the Common Market, the other establishing Euratom.

Mr Spaak was asked to chair this Conference, which met in Brussels on 26 June. It was a Conference of the 'Six', and was to remain so, despite Mr Spaak's final appeal to the 'others' in Venice. The declaration adopted in Venice actually included an allusion to the procedures for the accession or association of third countries. The repercussions were immediate, and, as early as 18 July, the OEEC Council created the renowned 'Working Party No 17', whose purpose was to negotiate with the Six on the establishment of a free-trade area. I am going back to this OEEC decision here because it marked the beginning of what was later to become a real nightmare, throughout the Val Duchesse negotiations. At times (and especially towards mid-1957, the time of the Interim Committee), it seemed as though a noose was slowly but surely tightening round the neck of this creature that was still so fragile, in fact not even born.

In early summer 1956, therefore, the Belgian Government provided the Conference with 'suitable premises' in Boulevard du Souverain, which were to be available from early September.

A miracle-working procedure

The Val Duchesse era was about to begin. These 'suitable premises' consisted of a small château more suited to receptions than to bureaucratic activities. Perhaps the lack of comfort in some of the adjacent buildings

inspired meditation!

The purpose of the meeting was to convert the principles that had been set out and developed in the Spaak Report into treaty articles, paragraphs, and explicit and precise rules. That report had set out the issues, indicated the kind of solutions to be sought and outlined logical structures; but it had not answered all the questions. Some problems (e.g. the association of the French Overseas Territories) had not even been addressed.

In Venice, the French had laid down certain 'preconditions'. Their demands required a response, because otherwise there would not have been a Common Market. The Germans were also laying down a precondition, the well-known problem of the link-up: no Euratom Treaty, they said, without a Common Market Treaty. And these are only a few of the major issues that arose.

Here again, and especially here, the Spaak procedure produced miracles. It made it possible to stay on course without being sidetracked by demands that, however important, remained secondary in terms of the real objective.

In the beginning, there were some attempts to question established principles and to reopen some dossiers. There were even renewed questions about the choice between a customs union and a free-trade area, a choice that had already been made and was irreversible. It is a fact that the balance to which I referred earlier, a balance between different concepts and different demands, between legitimate and, at times, conflicting interests, had to be sought and restored day after day.

The work was organised as follows. Each delegation was headed by a person who had been entrusted with the necessary powers by his government and was accompanied by a team that remained on the spot as required and depending on the agenda.

Organisation of work

The heads of delegation were Mr Maurice Faure for France, Ambassador Ophüls for Germany, Mr Benvenuti for Italy, Baron Snoy for Belgium, Mr Linthorst-Homan for the Netherlands and Ambassador Lambert Schaus for Luxembourg. Two working parties were set up, one for the Common Market, chaired by Mr von der Groeben, the other for Euratom, chaired by the General Administrator of the Belgian Atomic Energy Commission, Mr Guillaumat. A third working party, led by Ambassador Roberto Ducci, was responsible for 'drafting' and remained at the disposal of the other two.

A few ad hoc working parties were then set up to look into specific issues, such as investment.

The Council of Ministers of the ECSC provided the secretarial services. Mr Christian Calmès, its Secretary-General, had been made responsible for them immediately after Messina. Not much has been heard about Mr Calmès, but he is one of those who, without ever going too far and with a combination of discretion and firmness, had a real influence on the development of European issues from the outset. Mr Calmès had the foresight immediately to despatch his most brilliant assistant, Mr Giulio Guazzugli-Marini, to Brussels. This professor of philosophy had first made his mark in Mr Sforza's entourage, been involved in all the battles for Europe and made a major contribution to the preparations for and success of Messina.

The Val Duchesse Conference was marked by intensely hard work, team spirit, the small number of fixed staff and the assistance provided by the existing European institutions, i.e. the ECSC High Authority and the Council.

As I said, Mr Uri, who headed the Directorate for Economic Affairs at the ECSC High Authority, played a decisive role. Since then, several of these delegates and officials have remained closely involved in the life of the European Community. Mr Louis Armand has been President of the Euratom Commission, Mr Marjolin, Mr Lambert Schaus and Mr von der Groeben became members of the Common Market Commission. Mr Cattani, Mr Mille, Mr Linthorst-Homan, Mr Borschette, Mr Müller-Armack and

Mr van der Meulen were their respective governments' first Permanent Representatives. Some of them still are. Mr Noël, who was a member of the French delegation, has become Secretary-General of the Common Market Commission, while Mr Catalano has become a judge at the Court of Justice and Mr Bourguignon a special adviser to President Hallstein.

A monastic existence

There were times when I went through the gates of Val Duchesse and met delegates walking in the park who eyed me with suspicion. Indeed, apart from the very rare press conferences that were held after ministerial meetings, no journalists ever penetrated this European sanctuary.

Val Duchesse was once a convent. The delegates led an almost monastic existence there, often working at night. But the sounds from the world outside sometimes seemed amplified by the emptiness around the park. In October 1956, the atmosphere was not particularly exciting. Vincent Auriol wrote a critical article in *France Soir*. Duverger did a hatchet job in *l'Express*. Politicians of all persuasions were still suffering the after-shock of the EDC debacle.

On 20 October, in Paris, the Ministers of the Six listened to a long statement by Mr Spaak in which he listed the issues that were proving difficult to resolve. The solutions, however, were going to be found in Val Duchesse.

For instance, a special group was studying the question of the statutes of an Investment Fund. Step by step, the Fund became a bank, which the Italians found a little irritating but the Germans demanded because they were afraid of wasting money. When the idea came up of a Fund for aid to the Associated Overseas Territories, the Italian member protested. He felt that, before money was spent on African countries, southern Italy should be borne in mind. Italy did in fact secure a special protocol, which virtually authorised it to pursue a regional policy for the Mezzogiorno.

Another major issue discussed at Val Duchesse was the transition from the first to the second stage, i.e. the question of taking an irreversible step. This transition was tied to the well-known preconditions, which mainly concerned social security and which the French fought very vigorously, since they were wary of joining a customs union in which they would be at a disadvantage because of their relatively cumbersome welfare legislation. They won their case. This issue was also linked to the question of the institutions. The idea of a 'Commission' equipped with limited but real powers was, as Mr Spaak said, one of the cornerstones of European integration, *even before the Messina Conference*. Those who had prepared this Conference knew what they were doing, and, little by little, the idea took shape.

These issues therefore needed to be resolved, and here I would like to recount an episode that illustrates the working methods and the atmosphere in Val Duchesse. Delegates were actually discussing the formula to be used for voting in the Council, on the basis of proposals from the Commission. It was a tough discussion, since the governments were reluctant to commit themselves. There was a succession of talks and private discussions. Mr Wormser took an ironic approach, Mr Clappier retaliated, Mr Rothschild put forward courageous proposals. It was then that Mr Marjolin went out for a walk in the park with Mr Guazzugli, an economist and philosopher. Thanks to a combination of efficiency and logical thinking, they returned an hour later with a clear formula: the one that is enshrined in the Treaty.

Historic decisions

The safeguard clauses called for by France led to even more serious difficulties. The days went by. Winter came to Val Duchesse, and the ministerial meetings became more and more dramatic. On 26 January 1957, the Ministers met in Brussels, and Mr Spaak referred to 'historic decisions'. He summoned the journalists to Val Duchesse.

It was an unforgettable scene. It had snowed and rained. The flooded park had turned into a swamp, and the cars got stuck in the mud. They had to call in the army engineers who brought along some of the metal

sheeting used to strengthen aircraft runways. Mr Spaak did not want to say much, since everything was still too technical, and that bored him. However, instead of dismissing the technical difficulties, he found political solutions to them. He said: 'You can have as many safeguard clauses as you like. In my experience, they are never invoked by those who wanted them enshrined in a treaty.'

The establishment of a common customs tariff was one of the most controversial issues of all. This was understandable, given, firstly, that customs experts are the toughest people to deal with and, moreover, they have 'major interests' behind them, or at least interests that consider themselves to be important. The Dutch were very worried and kept threatening to walk out of the Conference. Their cars were outside with the engines running, but they did not leave.

By early 1957, the end was in sight. Delegates had reached the point of discussing the 'seat' of the institutions and naming names. Yet, at that same moment, the general public seemed to have lost interest and become sceptical.

The paradox of public opinion

I remember that, during the decisive meeting of 18 February at the Quai d'Orsay, several of my colleagues from the popular press who had not been following this story addressed me as follows: 'You have still not understood; you have not noticed that all this is just hot air and that these gentlemen have simply agreed to disagree.' That was the feeling in Paris.

So I leaped into my Mercedes 220 and raced off through the Ardennes, lost in a kind of reverie, en route for Val Duchesse. Here, the climate was more humid, the snow still lay on the meadows battered by the north wind. But a feeling of confidence was in the air. The is were being dotted and the ts crossed. Teams of translators were already at work. On 11 March, the text of the Treaty was dispatched directly from Val Duchesse, in large parcels, on its way to the six capitals.

That is when I understood that faith is everything, especially when it is underpinned by pure reason, by a genuine desire to cooperate, by the will to succeed and by the capacity to act.

Emanuele Gazzo