

Maurice Couve de Murville, Foreign policy (1958–1969)

Caption: In his memoirs, Maurice Couve de Murville, former French Foreign Minister, discusses the origins and diplomatic implications of the empty chair crisis and of the Luxembourg Compromise, which brought an end to the crisis in January 1966.

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1965 was to be, most unexpectedly, a stormy year for the European Community.

There had been no indication that it would be so. Agreement having been reached in March, the treaty merging the institutions was signed on 8 April, and the French Government was at pains to ensure that it was approved by the Parliament in June. The Kennedy Round of trade negotiations, suspended in 1964 during election year in the United States, was resumed. The Six had no difficulty in maintaining their agreement on the positions to be taken and, in particular, in drawing up their proposals for the international wheat market after the arrangement made on grain prices. Lastly, as regards agriculture, while things remained as difficult as ever and discussion of every point seemed to drag on interminably, there was one really important deadline to be met: the financial regulation for the period 1 July 1965-31 December 1970 had to be completed, as agreed on 14 January 1962. Some hard bargaining was to be expected, as certain members were still trying to limit their contributions by one means or another, but there were no questions of principle to be settled and, consequently, no major difficulties to be feared.

The prospects were changing from one day to the next when, on 23 March, the Commission's proposals on the said financial regulation were announced in the Strasbourg Assembly and not in the usual way through a communication to the governments responsible, which, moreover, had not been consulted at any point while the document was being drafted. Assuming that all the problems would be solved and that the single industrial and agricultural market would be completed as if by magic on 1 July 1967, although the only measure scheduled for that date was the entry into force of the grain prices, the Commission presented, in spectacular fashion, a project that, in reality, was completely circular.

It called for resources, levies and customs duties to be directly allocated to the Community budget immediately. The product of these resources would far exceed the established requirements of the agricultural policy and other foreseeable expenditure for many years to come. In this way, it would, at the very least, encourage extravagance, that is to say waste, but, in return, the Commission would be granted an element of that attribute of government to which it had always aspired. In order to meet the expected criticisms, the Commission proposed to establish a system whereby the Community budget would be controlled by the Strasbourg Assembly, the detailed rules being ingeniously designed to make the Commission itself the arbitrator in the disagreements that were likely to arise between the Assembly and the governments and, thus, to confer real powers on the Commission. In short, while it was not difficult to understand the reasons for this series of proposals, it was impossible to imagine that its authors could have thought for a moment that it had any chance of being accepted, not just by France but by the Six as a whole.

These proposals, far from constituting a synthesis and an attempt to reconcile the various national positions, appeared to provoke everyone on the points that affected them most or to which they attached particular importance. This became clear during the very first discussions, and, of course, those who did not want a conclusion to be reached had no trouble in finding arguments in the document for deferring the completion of the financial regulation to a later date.

The situation became so obvious after a few weeks that, in a private conversation with the President of the Commission, Walter Hallstein, in early May, I felt obliged to issue a very strong warning and to ask him to reconsider his proposal and submit another one that would provide a basis for reaching agreement or, at least, for commencing discussions. I also warned him that the French Government took the matter very seriously and would have to draw its own conclusions from any failure that might occur. All to no avail. The Commission's pride was involved, it was under the same illusions as ever, and it obstinately maintained its proposal. Only later did it finally see the error of its ways, but, by then, the crisis was already upon us, and it was a matter of rescuing it from the situation that it had itself created.

The debate among the Six continued for more than two months. As time went on, it became increasingly clear that, with the exception of Belgium, which continued to insist that commitments must be honoured, our

partners intended to take advantage of the confusion created by the Commission's improper conduct to defer what were, in any event, disagreeable decisions to a later date, in other words indefinitely. Here, too, all my warnings were in vain. I met with nothing but scepticism and procrastination. The French presidential elections were scheduled for later that year. That being so, it was clear to our partners that we would be unwilling to pursue the matter to the bitter end. However, the government's position was public and unequivocal. In order to be sure that he was fully apprised of the facts, in the event of it becoming necessary to involve him, I confided in General de Gaulle himself before the crucial sessions in June. 'In all probability, I told him, we are heading for failure, in other words, a split.' There was a serious political risk in France, with the forthcoming elections in December, because public opinion, especially in the farming community, was sensitive to the agricultural aspects of the Common Market. Were we prepared, if necessary, to take that risk? The President of the Republic's response was clear and unhesitating. The national interest was at stake. It must be defended, regardless of the consequences, even if there were any consequences.

The final debate opened on 15 June and continued, with breaks, until 30 June. I was President of the Council at the time. My chief problem was still to persuade my colleagues to enter into discussions since, with the exception of Paul-Henri Spaak, they made no bones about the fact that they did not see any need to meet the deadline set three and a half years before. Some points of agreement did, nevertheless, emerge. Everyone thought that the target date of 1 July 1967 for completion of the single market was unrealistic in view of what remained to be done in the agricultural sector, namely to complete the regulations under discussion and set prices for products other than grain. No-one wanted to agree that the Community should have its own resources until the time was ripe, that is to say no-one intended to mortgage, without return, income that bore no relation to current requirements since – as Belgium pointed out – that might cause an unlimited increase in expenditure. France, followed by Germany, approved the payment of customs duties in principle but at a later date. The Netherlands was frankly against it, for obvious reasons, since a vast quantity of goods on which the Netherlands charged customs duties passed through its ports on their way to other Member States. As for the Assembly, if no revenue was allocated, the problem of its powers no longer arose, and it was not, in fact, discussed at any point.

The fundamental difficulty, as always, lay in the arrangements for covering expenditure and setting national contributions. Germany intended to continue to limit its share to 31%, and Italy to pay as little as possible. On this vital point, the French Delegation made strenuous efforts to break the deadlock, even going so far as to submit on the final day, through Valéry Giscard d'Estaing and with my consent, a final proposal that was particularly advantageous for Rome.

But it was impossible to get anything started. Schröder was not disposed to move. Luns and Fanfani remained obstinately negative. They suggested that we confine ourselves to making an arrangement for one year or, at the very most, two and then adjourn to a later date. I then decided in the usual way, in my capacity as President-in-Office, to invite my colleagues to join me on 30 June in the middle of the night, to see whether we could find a way out of the impasse and move forward. They all took the view that we should not try to settle the matter at once and that there was, moreover, no need to do so. They suggested that we meet again in July. In these circumstances, I had no choice. It would have been useless to continue. I could only record that the commitments made, and constantly repeated, had not been honoured. Everyone could draw their own conclusions.

The Council of Ministers met in Paris on 1 July. It confirmed what I myself had told my colleagues, albeit without convincing them. Until there was a radical change in the situation, France would adopt a position of complete withdrawal, taking no further part in Council meetings in Brussels, recalling its Permanent Representative, and confining its Community activities to management of current business. It was a difficult and disagreeable decision, with serious consequences at home and abroad, but it had to be taken. Otherwise, the Common Market would have been irrevocably committed to a course of evasion and impotence and the agricultural policy, on which France was counting, would have been effectively written off. Once one commitment had been abandoned, others would follow if it was accepted as a *fait accompli*. The Commission had lost all sense of moderation and responsibility and had to be made to recover it. In short, it became increasingly obvious that joint and unanimous action by the governments was required to produce

the necessary decisions. Every possible effort must be made to avoid a repetition of the weakness shown on 30 June.

France very quickly drew from these observations its own conclusions for the terms on which it would resume active participation. The financial regulation must, of course, be completed. But that was not enough, after all that had happened. The Commission was responsible for having deliberately created the *imbroglio* for its own private purposes. We had to bring about a change in its frame of mind, its conduct and its *modus operandi*. Also, while nothing could be done without the agreement of all the Member States acting together, it had to be borne in mind that the rule of majority voting in Council, which had, hitherto, been confined to relatively minor matters, would apply as from 1 January 1966 to all important decisions, including those on the common tariff, agricultural regulations, and so on. It was inconceivable that the essential matters outstanding, with regard to agriculture or the Kennedy Round negotiations for example, should be settled in this way, not to mention the possibility that matters that had been agreed unanimously in the past, including the agricultural regulations, might be called into question. Something had to be done to address all these causes of weakness and uncertainty. General de Gaulle made the point in his press conference on 9 September, and I raised it again myself in greater detail in the National Assembly on 20 October.

Our partners were informed, and they were, at all events, well aware of the situation. The five met in Brussels in July and again in October, against the advice of Belgium and Luxembourg but at the insistence of Italy, Germany and the Netherlands, ostensibly to discuss the financial regulation on the basis of new proposals which the Commission, finally realising its mistake, had submitted on 22 July and which now took account of the views of the six States, including ours. In fact, they were considering among themselves ways and means of resuming relations with France, as France, for its part, was keen to do, so long as the matter could be discussed on a political basis, that is to say between governments. On 29 September, I had a long and detailed discussion on the subject with the President-in-Office of the Council of the Common Market, Amintore Fanfani, in New York, where we had gone to attend a meeting of the United Nations General Assembly. After the meeting of the Five on 25 and 26 October, the Italian Treasury Minister, Emilio Colombo, who had taken the chair, wrote to me suggesting that we attend a Council meeting, without the Commission, to resume consideration of the financial regulation, with due regard to our stated position, that is to say our wish to discuss the role of the Commission and majority voting. More time went by, as we, on the French side, did not want to meet in Brussels because we wanted to make it quite clear that this was an intergovernmental matter, nor did we want to meet without careful preparation, that is to say without a real chance of success. I had further meetings, with Gerhard Schröder on 19 November and with Emilio Colombo on 8 December in Rome, at the end of the Council meeting. Agreement was finally reached in late December, after the presidential elections. It was decided that the meeting of the six governments should take place in Luxembourg on 17 and 18 January 1966. In fact, two sessions were required to conclude the business, the second ending, as always, with a final all-night sitting on 29 to 30 January.

I think that I may say that a certain amount of audacity was required to call into question these two ‘sacred cows’ of European dogma, the Commission, often described, I don’t know why, as a supranational or executive body, and majority voting, constantly presented as the real way to drum some sense into the outdated remnants of nations that still survive here and there. Such strenuous efforts had not, however, been needed to persuade our partners to discuss the matter with us. The confrontation itself was to show that, fundamentally, every government reacted spontaneously in much the same way as the French Government. But they quickly reached their limits, moved by fear of upsetting a Parliament that was instinctively inclined to restrict government powers and was full of strange notions about a way of making Europe that involved working against countries rather than with them; and by a desire not to be too eager to seek a *rapprochement* with France, which was considered to be responsible for the crisis and to be too much inclined to press its own views or too adept at doing so.

The agreement that was reached bore the marks of these reservations, but, when all was said and done, it settled the problems. In the case of majority voting, it was neither possible nor necessary to amend the treaty — nor had I requested it. The Six simply agreed that, when vital interests of one or more partners were at stake, the Council would endeavour to reach a solution that was acceptable to all, within a reasonable time.

France added that, in that event, the search for a solution should continue until unanimous agreement was reached. There was thus, apparently, some disagreement. But how people felt in their heart of hearts was another matter. For example, Schröder, who had been the first to defend the majority-voting rule, had the candour, or the frankness, to seek and secure agreement that any decisions that ought to have been taken before the end of 1965 to complete the agricultural policy should be adopted unanimously. In fact, as it turned out, unanimity simply became the rule, and it will continue to be so for as long as France's attitude remains unchanged. The Community was to be all the better for it, since it would not have survived disagreements that led to a Member State being forced to comply on any issue that was of vital importance to it.

As for the Commission, a number of rules were laid down concerning its future conduct in its relations with the governments, in relations with third countries and international organisations, in the exercise of its prerogatives as laid down in the treaty and, lastly, in the matter of information and financial control. Without any change whatever to the treaties, the institution was returned to its proper place and has remained there ever since. There were also, of course, questions of individual members of the Commission which France intended to settle when the single Commission established under the Merger Treaty was appointed. It was agreed that we would talk about this as soon as work had been resumed.

Thirdly, a programme of work for the Community was drawn up, which gave priority to completion of the financial regulation.

So ended what was undoubtedly the most serious crisis that the Common Market had ever experienced. It was unfortunate and regrettable, like any crisis, but it proved to be salutary in the end since, in the course of settling it, practices were established that put an end to irritating abuses and enabled work to proceed normally in future.

This very soon became apparent. Six months after the Luxembourg arrangements were agreed, the Council in Brussels, having sat for a total of 33 days and not a few nights, ending on 10 May with the financial regulation, put the finishing touches to decisions under which the agricultural policy became applicable to 90% of the production of the Six countries and set prices for all the important commodities. As a result, it was agreed that the Single Market would be established on 1 July 1968, a year and a half before the date set in the Rome Treaty. Coming four months after France had announced its withdrawal from NATO, this was a result of which Europe's supporters could be proud.