

Pierre Werner, Luxembourg and European meanderings

Caption: In his memoirs, the former Luxembourg Prime Minister Pierre Werner recalls the crises which occurred throughout 1965 on the financing and implementation of the common agricultural policy (CAP).

Source: WERNER, Pierre. Itinéraires luxembourgeois et européens, Évolutions et souvenirs (1945-1985). Volume II. Luxembourg: Editions Saint-Paul, 1991. 351 p. ISBN 2-87963-124-6. p. 62-63.

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Pierre Werner, *Luxembourg and European meanderings*[...]

The agricultural common market was established in stages, sprinkled with red alerts and menacing crises. Curiously enough, this laborious process was initially a litmus test of the governments' desire to unify Europe, but, in the end, it actually deepened European integration.

At the start of 1965, a watershed emerged. Since the repeated attempts to create a special political cooperation organisation had failed, the Council of Ministers asked the Commission to come up with an action programme for financing the common agricultural policy. Since the transitional regulation based on the Member States' budgetary contributions was set to expire on 30 June 1965, the Council asked the Commission to submit proposals before 1 April 1965 on how to pay for the agricultural policy from 1 July 1965. The Council also asked the Commission to estimate the date on which farm levies would begin delivering revenue to the Community budget under the heading of own resources. The action programme actually defined the Community's budgetary powers, but heated discussions were expected on the Parliamentary Assembly's budgetary powers.

On 31 March, the Commission forwarded its proposals to the Council, calling for the transitional regulation to be extended until 30 June 1967. Then, starting on 1 July 1967, all expenditure on the common agricultural policy would be charged to the Community budget. On that same date, too, customs revenue would gradually be paid into the Community budget, and all agricultural levies would begin doing so immediately.

At the same time, the Commission boldly took it upon itself to suggest a strengthening of the Parliamentary Assembly's budgetary powers

The Commission's tightly structured, but ambitious programme was greeted with varying degrees of support by the Member States and the Parliamentary Assembly. The Commission's audacity caught some Member States off guard.

But the programme launched one of the busiest periods of EEC growth, with dramatic turns of events in which we, including myself, and our Brussels staff, were closely involved.

The reactions from our partners forewarned us that we were heading for a new crisis, more serious than those in the past.

I agree with Paul-Henri Spaak's view on the division of responsibilities and the idea of allocating power more widely starting in the middle of the year. Some considered that the Commission had made a tactical error because it had failed to sound out the governments' sentiments concerning the overall package. Even worse, the Commission presented the programme to the European Parliament before the governments had seen it. That move played into the hand of the Gaullists, who were hostile to boosting the budgetary powers of the European Parliament. But the other three governments had other objections up their sleeve. Germany and the Netherlands, who seemed to be playing for time in order to put off their commitment, did not like the schedule set up for the creation of own resources, because the agricultural market had to start no later than 1 January 1970. The Dutch representatives staunchly defended giving greater powers to the European Parliament, and Italy felt it had been financially wronged because of the large agricultural levies it was expected to pay.

As Mr Spaak himself wrote, 'Only the Belgian and Luxembourg delegations tried to bring the various viewpoints closer together.'

On 15 June, Maurice Couve de Murville did his best to wreck the Commission's intricate plan by refusing to allow farm levies to be used by the Community budget before 1970. At a stroke, all the Commission's proposals lost their relevance. I stepped in to urge that a compromise be sought.

A meeting several days later between the German State Secretary, Rolf Lahr and the French representative, Olivier Wormser, provided hope that a compromise was, indeed, possible.

The Council, chaired by Couve de Murville, met again on 28 June. The French delegation was particularly forceful. Mr Couve de Murville was flanked by Edgar Pisani, the Agriculture Minister, and Valéry Giscard d'Estaing, the Finance Minister.

The German Foreign Minister, Gerhard Schroeder, was the most talkative of his delegation, but he was not well regarded by the Gaullists. The debate on the agricultural policy was arduous and tedious. Mr Couve de Murville stressed that the agricultural decisions taken should be in line with the commitments given.

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