

Circular from the German Foreign Minister on the Luxembourg Compromise (Luxembourg, 31 January 1966)

Caption: On 31 January 1966, Rolf Lahr, Junior Minister in the Foreign Ministry of the Federal Republic of Germany (FRG), presents the opinion of the Federal Government on the outcome of the extraordinary Council meeting held on 28 and 29 January in Luxembourg, at the end of which the Six reached a political compromise which ended the empty chair crisis.

Source: SCHWARZ, Hans-Peter (Hrsg.). Akten zur Auswärtigen Politik der Bundesrepublik Deutschland, 1966. Band I: 1. Januar bis 30. Juni. München: R. Oldenbourg Verlag, 1997. ISBN 3-486-56155-3. "Runderlaß des Staatssekretärs Lahr", p. 114-118.

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Circular from State Secretary Lahr (31 January 1966)

I A 2-82.03/1
Infex No 3

Issued: 31 January 1966, 20.59 ¹

Subject: Second extraordinary EEC Council meeting held on 28/29 January 1966 in Luxembourg ²
Ref.: Infex No 2 dated 20 January 1966 ³

The German Government makes the following assessment of the outcome of the Council meeting, reported in detail in this morning's press, ⁴ which was accepted by the French and Italian Council members ⁵ only *ad referendum*, in anticipation of final approval by the two governments: ⁶

The outcome must be seen as a victory for the European Communities. France will, once again, be taking its seat at the table of the Council of Ministers. ⁷ The Council will resume its work as normal, i.e. in Brussels, ⁸ and the Commission, that is the existing Commission, will be involved. The next Council meeting, the date for which has not yet been finalised, is expected to take place ⁹ in the second half of February.

It was possible to achieve this outcome

- 1) without any formal or *de facto* amendments to the Treaty of Rome, ^{10 11}
- 2) without any weakening of the Commission's position, ¹²
- 3) without further preconditions being laid down for France's return,
- 4) without any substantive damage to the work that is now to be resumed.

Those were the demands made by the German Minister for Foreign Affairs in his statement to the Bundestag on 27 January. ¹³

With regard to 1): The statement on majority voting ¹⁴ represents a compromise. France has not been able to secure acceptance for a veto, either in the way it initially intended, where each State had the right to block majority votes by using a free veto, or in the form recently called for, where a vote may be taken only when efforts to achieve a solution approved by all have been successful. Although all the partners take the ¹⁵ view that efforts must be made to find solutions that are acceptable to everyone, they believe that, if such efforts have not achieved the desired result within a reasonable period, majority voting should be used. France has taken note. It has not said ¹⁶ what it will do if it is outvoted. This gives rise to uncertainty for the future. The Five believed that this uncertainty was not to be regarded as so great that it would preclude the resumption of normal Council work.

With regard to 2): The paper submitted by France, ¹⁷ which deals with the relationship between the Council and the Commission in ten points, has taken on ¹⁸ a different complexion as a result of deletions and amendments. It now appears to take the form of a list of suggestions seeking ¹⁹ the further improvement of cooperation between the Council and the Commission. None of these suggestions restrict the rights conferred on the Commission under the Treaty of Rome. The paper is not a directive to the Commission, it is a proposed basis for a discussion with the Commission, to be conducted between equal partners. Under Article 162 of the Treaty of Rome ²⁰ the rules governing cooperation between the Council and the Commission are to be determined by common accord.

With regard to 3): With the work plan presented at the Council meeting held in Luxembourg on 17/18 January ²¹ France had attempted to have a few further issues resolved in its favour before reoccupying the 'empty chair'. These included, in particular, the composition of the single Commission formed upon the merger of the executive bodies and of the Bureau of the Commission, as well as agricultural policy financing, which should, in the opinion of the French, be resolved before all other issues. ²² With the latter ²³ France had rejected the view, championed by us in particular but also held ²⁴ by the other four partners, that agricultural policy financing can be resolved 'as part of the harmonious progress of the Community', that is

to say only alongside a number of other important matters. It was not able to see its wishes fulfilled.

Now that the two political issues, majority decision-making and the composition of the Commission, which, in the unanimous view of all the partners, would ²⁵ have to be resolved before normal Council meetings were resumed, have been settled, France will be reoccupying its chair at the Council table in Brussels. [The] work ²⁶ will be resumed at the place where it was broken off on 30 June. ²⁷ Alongside the issue of agricultural policy financing, the Kennedy Round ²⁸ and other problems relating to harmonious progress will also be discussed.

As far as the merger of the executive bodies is concerned, there is now a consensus that the Merger Agreement ²⁹ will not be ratified until agreement has been reached on the composition of the new Commission and its Bureau. ^{30 31} These discussions will begin on the same date as the next Council meeting. Further progress will depend on whether and when agreement is reached on the composition of the single Commission and its Presidency. Until this new single Commission is formed, the existing three Commissions will continue in their full functions. None of the governments has yet expressed a stance on the candidates to fill the posts. For our part, in these discussions, we shall point out that, in view of the radical organisational changes associated with the merger of the executive bodies, attention should be paid to ensuring continuity and that nothing should be done that could be interpreted as disapproval of the existing Commission.

With regard to 4): All the governments have retained a free hand with regard to the issues faced. ³² It is particularly important for us, as far as agricultural policy financing is concerned, that we keep the option of making our approval subject to progress being made at the same time on some other issues that are of particular interest to us (Kennedy Round, customs union, ³³ tax harmonisation, common policy on trade with Easter Europe ³⁴).

The reason for the positive outcome of the meeting of the Council of Ministers is primarily ³⁵ that France's five partners showed solidarity vis-à-vis the French wishes, which amounted to an amendment of the Treaty of Rome, if not formally, then de facto, a weakening of the Commission and ³⁶ ultimately a watering-down of the Communities. ³⁷

On the other hand, the Five accommodated France on matters where the substance of the Communities was not affected. Amidst all the satisfaction that the Communities are now going back to work as normal, it should not be overlooked that the EEC, in particular, faces dealing with ³⁸ issues that involve very important and sometimes conflicting interests, that major problems must therefore be overcome and that there are still differences of opinion in the fundamental positions on the Treaty, as may be seen, in particular, from the discussions on the issue of majority voting. ³⁹ The meeting in Luxembourg showed that ⁴⁰ the understanding of the importance of the Communities is strong enough for each of its partners to overcome difficult problems at least in the form of a *modus vivendi*. This realisation confirms the assumption that each of the six partners has gone beyond the 'point of no return'. This will become clear in the difficult endurance test now faced by the Community.

As fierce as the disagreements were in Luxembourg, at no point did they lead to any bitterness or ill feeling. They do not appear to have left a bitter taste in the mouth of any of the partners.

Taking stock of the last seven months, the assessment must be that this period has damaged the Community as a whole and, as a result, each of its partners and that it has not benefited any of them. The six partners now consider the crisis to be over. ⁴¹

Lahr ⁴²

Division IA 2, Vol. 1331

1 The circular was drafted by Counsellor Baron von Stempel. Carbon copy submitted to Federal Minister Schröder. See Classified material Vol. 8433 (Minister's office).

2 See also the agreements entered into by the six EEC Member States on 29 January 1966; *Europa-Archiv* 1966, D 85 f. For the first extraordinary meeting of the EEC Council of Ministers on 17/18 January 1966, see Doc. 12.

3 For the circular from Deputy Undersecretary of State Meyer-Lindenberg, see Classified material Vol. 2432 (IA 2); B 150, File copies 1966.

4 This word was inserted by State Secretary Lahr by hand. The following was deleted: 'FAZ and *Die Welt*'. See the article entitled 'Frankreich wird in Brüssel wieder dabei sein'; *Frankfurter Allgemeine Zeitung*, No 25, 31 January 1966, p. 1. See also the article entitled 'Frankreich kehrt zur Mitarbeit an der EWG nach Brüssel zurück'; *Die Welt*, No 25, 31 January 1966, p. 1.

5 Maurice Couve de Murville and Emilio Colombo.

6 France and Italy subsequently approved the Decision of the EEC Council of Ministers of 30 January 1966. See EEC Bulletin 3/1966, p. 10.

7 Here, State Secretary Lahr deleted: 'in Brussels'.

8 The words 'in Brussels' were inserted by State Secretary Lahr by hand.

9 Here, 'take place' was inserted by State Secretary Lahr by hand. The word 'meet' was deleted. For the meeting of the EEC Council of Ministers held in Luxembourg on 28 February/1 March 1966, see EEC Bulletin 4/1966, p. 61.

10 For the wording of the Treaties of Rome of 25 March 1957 see *Bundesgesetzblatt* 1957, Part II, pp. 753-1223.

11 For the French demand for an amendment of the EEC Treaty, see Doc. 12, in particular Note 5.

12 See Doc. 12, in particular Note 13.

13 For the wording, see *Bundestag Stenographische Berichte*, Vol. 60, pp. 673-676.

14 For the issue of majority decision-making in the EEC Council of Ministers, see Doc. 12, in particular Notes 5, 19 and 20.

15 The passage 'solution ... partners take the' is the result of insertions and deletions made by hand by State Secretary Lahr. Previously it read: 'decision approved by all have been successful. Although France's five partners share the French'.

16 Here State Secretary Lahr deleted: 'however'.

17 For the French memorandum of 17 January 1966, see Doc. 12, in particular Note 3.

18 Here, 'taken on' was inserted by State Secretary Lahr by hand. The word 'acquired' was deleted. With regard to the amendments State Secretary Lahr said on 4 February 1966: 'The most important thing is the realisation, recognised by everyone, that these are neither directives nor recommendations but the programme for a discussion with the Commission, whose consent is needed in order to create rules governing cooperation between the Council and the Commission. Furthermore, some of the 10 points have been dropped; the remaining points have been drafted in such a way that they are no longer a kind of catalogue of sins committed by the Commission but questions concerning better cooperation [...] Consequently, there can be no question of diminishing the Commission's role.' See Circular No 4; State Secretary's Office, Vol. 385.

19 This word was inserted by State Secretary Lahr by hand. The words 'aimed at' were deleted.

20 For an extract, see Doc. 12, Note 22.

21 For the French timetable of 18 January 1966, see Doc. 12, in particular Notes 8-11.

22 See Doc. 12, in particular Note 12.

23 The words 'With the latter' were inserted by State Secretary Lahr by hand. The word 'thus' was deleted.

24 This word was inserted by State Secretary Lahr by hand. The word 'supported' was deleted.

25 This word was inserted by State Secretary Lahr by hand. The word 'should' was deleted.

26 The passage 'reoccupying its chair ... will be resumed' is the result of insertions and deletions made by hand by State Secretary Lahr. Previously it read: 'reoccupying its chair at the Council table in Brussels and resuming its work'.

27 For the meeting of the EEC Council of Ministers held on 28 to 30 June 1965 in Brussels, see Doc. 12, Note 4.

28 For the Kennedy Round, see Doc. 12, Note 25. On 4 February 1966 Federal Minister Schröder asked the President of the EEC Commission, Hallstein, to present proposals for the Kennedy Round negotiations to the EEC Council of Ministers since he feared 'that everything will be done by the French to force the issue of agricultural policy financing and to put off the issue of the Kennedy Round.' For the letter see State Secretary's Office, Vol. 385.

29 For the wording of the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities see *Bundesgesetzblatt* 1965, Part II, pp. 1454-1497. For the ratification of the Treaty, see Doc. 12, Note 24.

30 The words 'and its Bureau' were inserted by State Secretary Lahr by hand.

31 On 3 March 1966 State Secretary Lahr declared that, in the margins of the meeting of the EEC Council of Ministers held on 28 February/1 March 1966 in Luxembourg, the French Foreign Minister, Couve de Murville, had expressed willingness 'to continue to follow the existing practice for the appointment of the members of the Commission, i.e. to leave it to the individual governments to nominate their candidates and to approve the partner governments' proposals without discussion unless there were specific reservations in an individual case. However, he called for the application of the rotation principle for the selection of the Bureau in future.' See Division IA 2, Vol. 1309. See also Doc. 101.

32 This word was inserted by State Secretary Lahr by hand. The words 'mentioned above' were deleted.

33 At the meeting of 28-30 June 1965, the EEC Council of Ministers in Brussels decided to establish a Customs Union on 1 July 1967. See Telegraphic report No 1161 from Ambassador Sachs, Brussels (EEC/Euratom), 5 July 1965; Division IA 2, Vol. 1321.

For the Federal Republic's position, see also Doc. 76.

34 On 28 June 1965, at the EEC Council of Ministers, State Secretary Lahr submitted proposals for the coordination of the common commercial policy, with particular regard to lending in trade with Communist Bloc States, and for a gradual complete harmonisation of taxes within the Community by 1 January 1972. See Telegraphic report No 1128 from Ambassador Sachs, Brussels (EEC/Euratom), 29 June 1965; Division IA 2, Vol. 1320.

On 7 February 1966 the Interministerial Committee of State Secretaries for European Affairs decided not to go into further detail with the German proposals on the harmonisation of the commercial policy vis-à-vis the Communist Bloc States. As a guideline for a proposal still to be fleshed out, it was decided to limit the term of normal loans to five years and to eight years in exceptional cases. See the memorandum from Lantzke, an official in the German Ministry Economic Affairs, 9 February 1966; Division IIIA 2, Vol. 232.

35 This word was inserted by State Secretary Lahr by hand. The word 'both' was deleted.

36 This word was inserted by State Secretary Lahr by hand.

37 Here, State Secretary Lahr deleted: 'and the fact that, aware of this situation, France has given preference to the continued existence of a Community of Six'.

38 The words 'dealing with' were inserted by State Secretary Lahr by hand. The word 'several' was deleted.

39 The passage 'must therefore be overcome ... on the majority voting question' is the result of insertions and deletions made by hand by State Secretary Lahr. Previously it read: 'will have to be overcome and that there are still differences of opinion in the fundamental positions on the Treaty, as has been shown in the discussions on the issue of majority voting'.

40 Here State Secretary Lahr deleted: 'for all the partners'.

41 See also the EEC Commission communiqué dated 2 February 1966 in which it expressed its satisfaction that the EEC 'can resume its normal activity in full' and indicated its willingness for better cooperation with EEC Council of Ministers; *Europa-Archiv* 1966, D 86.

42 Initialled on 31 January 1966.