

Address given by Pierre Werner to the European Parliament (20 January 1966)

Caption: On 20 January 1966, in Strasbourg, taking part in an exchange of views between the Community institutions on the empty chair crisis, Pierre Werner, Luxembourg Foreign Minister and President-in-Office of the Council of Ministers of the European Communities, outlines the nature of the activities of the Council and the Communities since 30 June 1965, with particular regard to tariffs and agriculture. He then gives an account of the efforts made in Luxembourg on 17 and 18 January, by the Foreign Ministers of the Six, to resolve the crisis.

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[...]

Mr Werner, President-in-Office of the Councils of Ministers. — Mr President, ladies and gentlemen, the traditional colloquy between the Community institutions is being held in January this year and not in November, as it normally is, because the Assembly and the Councils jointly agreed that it would be appropriate to postpone it, for reasons of which you are well aware. I particularly want to thank the Assembly for this sensible decision.

In fact, it is not just because of the timing that the colloquy is slightly different from the previous ones. You have realised that, since you have suggested that this year we should discuss the general situation of the European Communities and not a specific topic as we have done in the past. As you are aware, we are going through a particularly difficult period. It is certainly not the first time that there have been differences of opinion between the Member States, and the solution to major fundamental problems requires long and difficult negotiations. But, this time, the differences of opinion have been so great as to affect the normal activities of the institutions and of the Councils in particular.

That observation prompts me to make a preliminary remark. As your Assembly has often shown in its debates and resolutions, it is more sensitive to political considerations than any other body. It seems to me that, in the present circumstances, the first objective for us all should be to seek the best way of safeguarding the overriding interest of the Community. In my view, that interest is, above all, to start operating again at a rate that allows us to continue and develop our activities, on the basis of and in accordance with the treaties and their institutions.

You are aware that we have started talks in the Council with that specific aim in mind, and I shall be speaking to you about that presently. In the circumstances, it seems to me that it is our duty to promote the search for solutions that enable the Community to continue its progress rather than becoming bogged down in political debate. To that end, I think that my role today should simply be to give you objective information on the actual situation. As for your Assembly, I am sure it will again wish to support our efforts, efforts which are naturally inspired by the Community spirit and the principles on which European integration has been based hitherto.

Mr President, ladies and gentlemen, as you are aware, after the Council's deliberations between 28 and 30 June 1965 on the Commission proposals for the financing of the common agricultural policy, the Community's own resources and the strengthening of the powers of the Assembly, the President-in-Office of the Council noted that it had not been possible to come to an agreement within the specified time limits.

You are well aware of the problems raised by those proposals and the differences of opinion between Member States. In fact, your Assembly has discussed them at length, particularly during the debates at your part-sessions last September, October and November. Therefore, it does not seem to me necessary or appropriate to say any more on that subject, especially since the Commission presented new information in the form of a memorandum after 30 June last year. Instead, I should like briefly to outline the conditions in which the Councils have been operating over the last six months.

The situation that arose on 30 June 1965 presented us with particular difficulties. In the circumstances, it was not possible to move forward with Community activities in areas requiring political decisions or involving further progress in the attainment of the Treaty objectives. However, we were anxious to ensure the continued functioning of the Communities and, as far as possible, the management and implementation of the treaties. The solution that we adopted was to use the written procedure. That has enabled the Council to take a number of decisions in the past six months which relate, in particular, to the implementation of rules adopted previously and solutions to certain administrative and budgetary problems.

In all those cases, we were particularly concerned to resolve situations where we had been given binding deadlines, to allow systematic implementation of the treaty and to fulfil Community commitments to third parties.

With your permission, I shall now look at a few specific areas.

The *multilateral GATT negotiations* have been able to proceed only at a slow pace, although that was not entirely the fault of the Community. Nevertheless, the last few months have given both sides the opportunity to define their positions more clearly and have also been of some value because of the bilateral talks that have been held, notably with the Scandinavian countries and Switzerland. The negotiations need to move forward significantly this year, and we hope to be able to take a series of decisions, with particular regard to the common agricultural policy, which will place us in a better position to negotiate on that issue.

In regard to *tariffs*, Member States have reduced customs duties vis-à-vis the other Member States by a further 10 %, in accordance with the Treaty and in the light of the acceleration decisions. Accordingly, customs duties are currently 80 % lower than the 1957 duties for industrial products and 65% lower for most agricultural products.

At the end of the second phase, the Member States must also embark on a second approximation of national tariff duties with those in the Common Customs Tariff, under Article 23 of the Treaty.

That approximation has been carried out in the field of agricultural products. A problem has arisen with industrial products. A second advance approximation was already completed for such products on 1 July 1963, in accordance with the 1962 acceleration decision as supplemented by the decision of 22 May 1963. However, under the latter decision and because of the Geneva negotiations, for many tariff headings, the approximation was carried out using a calculation basis that was 20 % lower than the rates in the Customs Tariff itself.

At its meeting of 29 and 30 November 1965, the Council discussed the action to be taken by the Member States on industrial products at the end of the second phase, since the provisions on the calculation basis would expire on 31 December 1965.

On 1 January 1966, the Member States maintained the existing tariff position for industrial products in regard to non-member countries. The work that is to lead to decision-making by the competent institutions is continuing.

I regret that it has not yet been possible to send to your Assembly the *draft budgets* for the EEC and the EAEC for the 1966 financial year, despite all our efforts to ensure that the deadline laid down in the Treaties was observed. The previous Council President informed the President of your Assembly thereof in a letter.

I can assure you that we shall make every effort to ensure that the work is completed as soon as possible and that the draft budgets can be forwarded to you at an early date.

Those are the main practical steps that we have taken to enable the Community to continue its routine operations as far as possible. Nonetheless, we concentrated on two primary objectives in that period, namely:

- attempting to reach an agreement on the common agricultural policy's financing problems that was acceptable to all the Member States;
- seeking ways of ending the present situation as quickly as possible and enabling the Community to resume its normal operations and continue to develop to the full.

As regards the *financing of the common agricultural policy*, at its meetings in July and October, the Council

endeavoured to outline a compromise on the basis of the memorandum presented by the Commission last July. Obviously, that still has to be negotiated, but in my view this attempt to find a balanced and rational solution provides a sound basis for compromise.

The main principle would be to retain 1 July 1967 as the date from which free movement would be established in the Community for both industrial and agricultural products. That proved to be a necessary basis for any reasonable solution.

It seems clear that, apart from the other problems that are still unresolved, an agreement should resolve, on the one hand, the controversial issue of Community financing of agriculture — and the closely related issue concerning the finalisation of the common agricultural policy — and, on the other hand, the problems in achieving balanced development of the Community. That should be accompanied by progress both internally and in external relations.

With more specific reference to the common agricultural policy and its financing aspect as such, most of the suggestions put forward by the Commission in its memorandum of July 1965 are being more widely accepted.

It now seems that the financial regulation is required to cover the whole of the transitional period, from 1 July 1965. On the *expenditure* side, the trend seems to be towards financing eligible expenditure under the Guarantee Section (in other words, repayment by the EAGGF of refunds and national contributions) for all products subject to a common organisation of the market. The financial problem of certain product sectors in respect of which organisation has not been completed or does not yet exist is obviously still unresolved. Therefore, the Council will, in any event, have to meet the commitments that it gave on 23 December 1963 and 15 December 1964 for the fruit and vegetable and the oils and fats sectors.

The principle for revenue — I am still referring only to the transitional period — might be for it to comprise, on the one hand, contributions by Member States according to a fixed scale, partly graduated annually, and, on the other hand, based on a proportion of the net imports of each Member State from third countries during a reference period.

Nevertheless, many aspects of that solution still have to be discussed in the Council. But I am sure that, as soon as we are able to look at the matter again, we shall be able to resolve the problems that are still outstanding and reach an agreement that enables agriculture to be fully integrated into the Common Market, which is something that we all want and to which we are all committed.

The finalisation of the common agricultural policy, closely linked to the financing arrangements that I have just outlined, will be completed as soon as the remaining common organisations of the market are established, but also, and above all, when it has been possible to set single prices for various products other than cereals. An agriculture timetable valid until 1 July 1967 should be adopted at the same time, on the lines of the one agreed by the Agriculture Ministers at the Council meeting of 29 June 1965.

Mr President, ladies and gentlemen,

I now come to the more specifically political aspect of our work, that is to say, how we can ensure that Community activities continue in the normal way.

You know that, at the Council meeting of 25 and 26 October last year, we held an in-depth discussion on the memorandum presented by the Commission and on the general situation in the Communities. In the Council statement published after that discussion, the Governments of the Federal Republic of Germany, Belgium, Italy, Luxembourg and the Netherlands set out a number of common principles. For example, they first reiterated the need to continue implementing the Treaties of Rome and Paris, in accordance with the principles laid down therein and in order to achieve the gradual merging of their national economies, both industrial and agricultural. They then expressed their view that the negotiations suspended on 30 June should be resumed as soon as possible. To that end, after considering the Commission memorandum, they endorsed

the fundamental principles that would allow the negotiations between the Six to be brought to a successful conclusion. They asked the President of the Council to urge the French Government to return to its seat in the Community institutions.

Appreciating that certain problems raised by the French Government needed to be considered, they instructed the President of the Council to ask the French Government to attend an extraordinary meeting of the Council of Ministers. They stated that, exceptionally, the meeting could be attended only by the Ministers, in accordance with the Council's Rules of Procedure, and that the sole item on the agenda should be a discussion of the general situation of the Community. That position was substantially confirmed on 29 and 30 November 1965.

Those statements have been discussed at sufficient length and need no further comment from me. All I need do, I think, is point out that they encompass four fundamental ideas on which the governments meeting in the Council have agreed, namely:

- full compliance with the Treaties of Paris and Rome;
- an expression of willingness to discuss general and political problems that a government wishes to raise within the Council;
- a wish for France to participate fully in the work of the Council again as soon as possible;
- a belief that the agriculture problem needs to be resolved without delay as part of the harmonious development of the Community.

I shall now report on the latest developments.

As you are aware, after the intergovernmental meetings, we were able to hold an extraordinary Council meeting in Luxembourg on 17 and 18 January 1966. I can say that the atmosphere at the meeting was frank and constructive. All the participants were anxious to try and find solutions that would allow the Community to move forward.

At that meeting, we looked in detail at the two political issues raised by the French Delegation: firstly, the problems that might arise from an increased use of majority voting when moving on to the third phase of the transitional period and, secondly, the question of cooperation between the Commission and the Council.

I must make it clear straight away that there is no question, in either case, of revising the Treaty of Rome or diminishing the powers and responsibilities that the Treaty confers on the Commission and Council. The aim in using majority voting is, in fact, to find procedures that would enable the whole Community and the Member States to develop harmoniously.

On the second question, we have tried to find ways of making cooperation between the Council and the Commission more effective, without undermining the powers conferred on each of those institutions by the treaties. The French Delegation presented a memorandum on that point, on which we held a wide-ranging discussion.

I do not deny that there are still differences of opinion between the Six, and that is why we have decided to adjourn the Council meeting and continue it in Luxembourg on 28 January with the same agenda. We have asked our six Representatives to plan further work by the Council in the interim.

At our meeting, the French Delegation also raised the question of the entry into force and implementation of the treaty merging the institutions.

Mr President, ladies and gentlemen,

I can assure you that the Council will do its utmost to try and resolve these delicate and complex problems.

I sincerely hope that the will to succeed that has been evident in our work will lead to a positive outcome and that we shall be able find a permanent solution to the difficulties about which I have been speaking to you and, in this way, give a new momentum to the Communities which we all support. (*Applause*)

[...]