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Special Policy Brief

*The Origins
of the European Council*

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A large, modern building with a prominent glass facade and a flat roof, likely a part of the University of Cologne campus.

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Introduction: drivers of integration history



¹When the French President Valéry Giscard d'Estaing launched the idea of a regular meeting of the Heads of State and Government, under the name of the “European Council”, at the end of 1974, he did so in a very specific historical environment, and on the grounds of an elaborated line of thought: The systematic setting of the conditions, under which the European Council came into existence, is made of these two distinct components – external threats, challenges, incentives, on the one hand, and an internal integration logic on the other hand, an integration logic theorized by the neo-functional school. “External”, in this context, means “outside” the institutional and political evolution of the integration process; “internal” means just this step-by-step, this gradualist integration dynamic, which had been put on

¹ Source of the photo: Stuttgarter Nachrichten, 03.12.2020, online available at: <https://www.stuttgarter-nachrichten.de/inhalt.val-ry-giscard-d-estaing-einer-der-letzten-grossen-europaeer.62b818d2-afa1-48ce-9a5a-40cd96c4d80f.html>

² See the general historical background in Desmond Dinan: *Europe recast. A History of the European Union*. London 2014, Chapter 4: Setbacks and Struggles, p. 123-160; and Wilfried Loth:

track in 1950 by Jean Monnet, Robert Schuman and Konrad Adenauer with the European Coal and Steel Community (ECSC), and then confirmed by the European Economic Community (EEC) in 1958 (“Rome Treaty”)².

1 The internal integration logic

Within the institutional setting put in place in 1952, when the ECSC treaty entered into force, there was no place foreseen for the Heads of State and Government; the highest political level involved was the minister’s, facing the authority of the President of the Commission, originally imagined as a future ‘Head’ of a federal Europe himself. Walter Hallstein, first President of the EEC Commission from 1958 on, still cherished this ‘finality’ of his function: a future European government would be headed by the President of the Commission³.

This vision is one of the focal points where the conflict with Charles de Gaulle, President of France from 1958 to 1969, was inevitable: de Gaulle could not allow for any other basis of legitimacy than the national one, neither for a government nor for a parliament. That is why a European government, in the eyes of de Gaulle, was an illegitimate illusion. What he did want,

Building Europe, Chapter 4: Expansion and New Perspectives, 1969-1975, De Gruyter 2015, p. 170-221.

³ See Hallstein’s political testament: *Der unvollendete Bundesstaat. Europäische Erfahrungen und Erkenntnisse*. Düsseldorf 1969; literally translated, the title of the book would be “The Unfinished Federal State”, whereas the later (1972) published English version has the much less outspoken title “Europe in the Making”.



was a regular meeting of the national Heads of State and Government, and thereby a shift from the Commission's authority back to the only legitimate leaders, those who relied on a national, not on a "supra"-national fundament. But when de Gaulle launched this idea in the early 60s, none of the other five member states of the Community was ready to abandon the supranational path towards European unity and to align behind the French idea. De Gaulle was not powerful enough to push his vision through, but he was able to block any move towards more supranational integration – the deadlock of the "Empty Chair Crisis", when no high-ranking French officials showed up in Brussels for half a year, put an end to the dynamic youth of the EEC and left the European Communities as an "unfinished federal state", as Walter Hallstein called it in (the German version) of this book.

George Pompidou, successor of de Gaulle in 1969, took a different stance, despite being a "gaullist", too. He even dared to speak of a "European government"⁴, as a long-term option in the far future, but at least he did allow for the idea to be considered as legitimate. His "relaunch" inspired new hopes to the Community of the Six; in December 1969, he initiated a threefold programme for a new dynamic era of the Community, under the triple heading of "completion, enlargement,

and deepening", aiming at the full implementation of the Rome Treaty, the accession of the United Kingdom (vetoed twice by de Gaulle in the 60s), and additional steps towards more integration beyond the existing treaties, namely in the field of monetary cooperation (or even union) and foreign policy. Pompidou was successful with regard to enlargement: In 1973, the UK, Denmark and Ireland joined the Community, though with a heavy burden, in terms of decision making, policy commitments and budget. But the Common Market, promised by the Rome Treaty for the next decade (i.e. until the end of the 60s) still proved to be out of reach, and more than ever so, since the deal with the UK was that the right to veto would stay untouched after their accession.

In the meantime, supporters of further and federal integration, like Walter Hallstein, but still Jean Monnet, too, were not ready to accept the stillstand of institutional unification. They agitated for surpassing the established institutional system by crowning it with a really powerful European government. Jean Monnet in particular, who had brought together in his "Action Committee for the United States of Europe"⁵ an impressive selection of high-ranking (mostly former) statesmen, ever again underlined and repeated in his various talks with political leaders the need to bring

⁴ Press conference 21st January 1971;
<https://www.youtube.com/watch?v=bBXElqGtg2c>

⁵ Jean Monnet: Mémoires. Paris, 1976, Chapitre XVI: Le Comité d'action pour les Etats-Unis d'Europe, p. 597-638.



together the Heads of State and Government – even he was no longer focusing on the Commission to become the focal point of European governance, but on the national leaders⁶.

‘Summits’ had become a familiar tool for international relations in the 20th century – not much earlier than during the era of aviation, that is in the second third of the century⁷. In earlier times, meetings of kings, presidents, prime ministers, chancellors, were absolutely exceptional, and nearly always amounted to outstanding historical events. But when airplanes allowed for smoother traveling and made meetings all over the world easier, heads of state and government decided more often that they themselves were the best negotiators in moments of conflict – often to the despair of their diplomats. Summits came into use in the 30s, their rhythm accelerated during the war (think of the famous three summits of the “Three Big”, Roosevelt, Stalin and Churchill, in Tehran, Yalta and Potsdam), and continued after the war, with famous meetings namely between the leaders of the superpowers. In Europe, summits occurred from time to time, but even when the European Communities had been founded, they were not very frequent, and irregular, limited to critical moments of high importance and urgency. The institutional

Community mechanisms, in any case, did not integrate summits in the ordinary tool box of decision making arenas or formats.

All these “internal” evolutions, initiatives, actions and arguments prepared the option for the creation of the European Council; the idea was at hand, in the early 70s – but they still do not explain its creation in a satisfying way; the “narrative” based on these internal features is somewhat unfinished itself, its explanatory capacity is not entirely convincing. In order to understand why the European Council finally was created at the end of 1974, we must turn our eyes to “external” factors.

2 External drivers, challenges, incentives

What was more important for the success of the relaunch at The Hague to be mitigated was an external threat which had the potential to put into question the whole integration process as such: the “Crisis of the 70s”. Two external triggers prepared the critical period: The decision of the American President Nixon to put an end to the gold standard for the Dollar, 15th August 1971, a move which abrogated an essential feature of the Bretton Woods system and plunged the Western currencies in the uncertainty of unreliable exchange rates; and, more dramatically, since felt and experienced by everybody, the first oil

⁶ Idem, Chapitre XXI (the last chapter of this memoirs): Le Conseil Européen (1972-1975), p. 751-788. Monnet probably overestimated his influence on the creation of the European Council

in his memoirs, but they are still an important historical source.

⁷ Fundamental on summits is David Reynolds: Summits. Six Meetings that shaped the Twentieth Century. New York 2007.



price shock, in 1973, when the Arab oil producing countries decided to quadruple the price of oil, the main resource of energy for the Western industrial countries at the time.

But more profoundly, the crisis was homemade, structural, and had more to do with the inherent difficulties of the “Golden Age of Capitalism”⁸: It proved to be impossible to maintain and continue the breathtaking growth-rates of the post-war generation, the “Thirty Glorious”⁹, at a moment, when nearly the whole of the Western societies, i.e. its individual members, had nearly everything what was (technically) available at the time – household devices like fridges, communication tools like transistor radios and television, mobility instruments like individual cars. “Saturated markets”¹⁰ was an entirely new problem for further economic growth and slowed down the economic dynamism which had become somewhat natural over the previous decades. The consequence was

“Stagflation”, as the crisis has been dubbed as well, that is the vicious combination of inflation and stagnation (of growth), with unemployment spreading – an explosive mixture of negative indicators, with the potential to put into question the welfare state, democracy, and European integration, too. The member states and their leaders, which had just prided themselves with the affirmation that they had found the philosopher’s stone allowing them to steer the economy towards ever more and unbroken growth – in Germany e.g. the “superminister” for economy and finance, Karl Schiller, was convinced that he was in possession of such a science based steering mechanism called “Globalsteuerung”¹¹.

Now, the crisis plunged everybody in a confusing and disturbing discomfoting situation¹², because nobody knew exactly what to do about it: Should the emphasis lay first on taming the runaway living costs, reduce

⁸ Stephen A. Marglin and Margaret Schor: *The Golden Age of Capitalism. Reinterpreting the Post-War Experience.* Oxford, 1992.

⁹ Jean Fourastié: *Les Trente Glorieuses ou la révolution invisible.* Paris, 1979

¹⁰ See the theoretical concept on saturated markets in Tom Osenton: *The Death of Demand. Finding Growth in a Saturated Global Economy.* Financial Times Press, 2004. John Kenneth Galbraith had already in 1958 identified an entirely new and embarrassing historical situation (in the USA) for economics and society, analysed in his bestseller: *The Affluent Society.* Boston, 1958, Europe was a decade or so behind the US evolution

¹¹ One of the seminal books on this approach is Andrew Shonfield: *Modern Capitalism. The Changing Balance of Public and Private Power.* London 1965. Karl Schiller, the German

“Superminister”, added an introduction to the German version of the book, published in Cologne in 1968, under the title: *Geplanter Kapitalismus. Wirtschaftspolitik in Westeuropa und den USA.* A mere six years later, Friedrich August von Hayek was rewarded with the Nobel Prize in Economics, and another two years later Milton Friedman

¹² The width and depth of the crisis of the 70s has become a major topic for historical research since a decade or so (i.e. since archives are open); one of the milestone books on the crisis was and is Konrad Jarausch: *Das Ende der Zuversicht? Die siebziger Jahre als Geschichte.* Göttingen 2008. The literal translation of the title reveals the socio-psychological dimension of the crisis: “The End of Confidence” in an ever growing economy, in full-employment, in the Welfare State, and – last not least – in European integration.



inflation, to save the smaller fortunes of the middle class and workers, and should then the price be paid in terms of stagnation of growth rates with their consequence, higher unemployment ...? Or should the fight against unemployment have priority, with the states coming in for more growth, financed by making more money more easily available, at the price of a higher inflation rate? Due to longstanding, profoundly rooted in historical experiences and political and economic philosophy divergencies notably between France and Germany, the member states of the Community leaned either on the one or the other solution but could not convene upon a unanimous response¹³. Under these constraints and conflicts, the prospect of a Common Market, with common rules, and a fortiori a Monetary Union faded away quickly – the member states tried to go their own ways, contradicted each other, took distance from the others and were tempted to split the Community apart.

That is the setting which stirred up the Heads of State and Government and convinced them that something very important was at stake, something that had granted the conditions under which the “Golden Age” could flourish, something that was too precious to become a victim of the crisis: European unification. And they were aware that this crisis was not a sectoral one, not only an economic, not only a

financial, not only a labor market crisis – it touched upon the society on the whole, on the foundations of the post-war European (and Western) model of living in peace together. Therefore, the search for solutions, the task to hold the Community together could not be left to ministers – ministers, per definition, have a sectoral perception of policy. No, this crisis needed statesmen and their statecraft. It was the “heads” themselves who had to come together and try to solve the crisis. The link between the crisis challenge and the creation of the European Council is most accurately expressed in a report of the Political Affairs Committee of the European Parliament, 13th February 1975, commenting on the last summit, 9th and 10th December 1974: “Recognizing the need for an overall approach to the internal problems involved in achieving European unity and the external problems facing Europe the Heads of Government consider it essential to ensure progress and overall consistency in the activities of the Communities and in the work on political co-operation. – The Heads of Government have therefore decided to meet, accompanied by the Ministers of Foreign Affairs, three times a year and whenever necessary, in the Council of

¹³ This conflict is underlying many Franco-German disputes over European economic and monetary integration, see Markus K. Brunnermeier, Harold James and Jean-Pierre Landau: The Euro and the

Battle of Ideas. Princeton 2016, Chapter 3: Historical Roots of German-French Differences, p. 40-55, and Chapter 4: German-French Differences in Economic Philosophies, p. 56-82.



the Communities and in the context of political co-operation.”¹⁴

The external threat of the crisis activated the (internally prepared) option of regular meetings of the Heads of State and Government, but it had still to be decided and done.

3 Political leadership

The ‘narrative’, as far as it has been told until this point, distinguishing and bringing in internal and external drivers, misses still one point: people. Finally, as always, structural drivers need individuals to drive; that is what we call ‘political leadership’. The structural constraints and options, internal as much as external, must meet with personal initiative, individual responsibility in order to change history.

That is what happened in 1974, with two new leaders in France and in Germany, Valéry Giscard d’Estaing and Helmut Schmidt¹⁵. Both of them came to power somewhat inadvertently, Giscard because Pompidou died prematurely, Schmidt because Brandt retired prematurely; both of them were pragmatic minds, despite being affiliated to different political camps – liberal in the case of Giscard,

social-democratic in the case of Schmidt; both were modernizers, and could communicate in English, the first time that the French president and the German chancellor had a common language and did not need interpreters; both were open-minded beyond their national boundaries, in spirit and political approach; both were experts in finance and economic policy – all of this was new, compared to their predecessors, be it Adenauer and de Gaulle or Pompidou and Brandt, and therefore promising.

They soon found a common ground, despite the divergent economic and financial philosophies of their countries, at least for intense and outcome-oriented communication, both were convinced that France and (West-)Germany should bridge their divergencies, and – last not least – both had a spirit of leadership strong enough to make them take into their own hands the management of that deep and disturbing crisis.

Under these favorable conditions, Giscard took the initiative, at what he called “the last summit” and at the same time “the first European Council” meeting, 9th and 10th December 1974¹⁶, to launch the idea of regular

¹⁴ European Parliament, Working Documents, Document 436/74, 13th February 1975; online available: http://aei.pitt.edu/1740/1/EP_report_436_74.pdf.

¹⁵ Matthias Waechter: Helmut Schmidt und Valéry Giscard d’Estaing. Auf der Suche nach Stabilität in der Krise der 70er Jahre. Bremen 2011.

¹⁶ For a detailed account of the events around the December 1974 summit and its meaning for the European Council creation, see: Pierre de Boissieu, Jim Cloos, Poul Skytte Christoffersen, Luuk van Middelaar, Jacques Keller-Noëllet, Guy Milton, Christine Roger, Thérèse Blanchet, David Galloway, André Gillissen: National Leaders and the Making of Europe – Key Episodes in the Life of the European Council. London 2015; Chapter 1: The



meetings of the Heads of State and Government of the Nine and call them by a name which had already been coined much earlier and promoted by other 'Europeanists', like Jean Monnet: 'European Council'.

'Political Leadership', however, had another, additional meaning, emphasizing this time the 'political' dimension. Actually, the Heads of State and Government did not only want to assume the responsibility for an all-embracing crisis instead of their ministers, with their sectoral approach – they also wanted to get rid of the guidance of technocrats, diplomats, bureaucrats, experts¹⁷. Instead of sitting at the peak of a hierarchical line of advisors, only to speak out what they were told to say in a given situation, they wanted to cut that cord and set themselves free from the obtrusive influence of their administration. They simply closed the doors behind themselves and felt free to address the really important questions, the problems of 'high politics' without being submit to permanent counseling. Under this angle, the creation of the European Council was an interesting attempt to let political leadership prevail (again) over bureaucratic expertise. It did not last for long, however, before the Foreign Ministers (first), the most important advisers (second) and many others (third) had forced the doors open again, so that the European Council in later years lost this

unique feature of an exclusive club of the Heads.

4 Context and outlook

The European Council should not be seen as an isolated move. Instead, the launch of regular meetings of the Heads of State and Government created an imbalance, or even – in the eyes of many – a threat for the Communities: The danger was that it shifted European decision making back to intergovernmental, international cooperation, that it deviated from the path of supranational Community building with a federal finality; that it conferred too much bargaining power in the hands of the "Big", France and Germany in the first run, that it would marginalize the interests of the smaller member states. The European Council resembled, at least at a first glance, the proposals of de Gaulle, enshrined in the Fouchet Plans, where this shift away from the Community method back to traditional international relations was all too obvious, and therefore refused by all of the then five other member states.

But it was not the intention of neither Giscard nor Schmidt to outpace the Community-based integration process by a barely cooperative method, as had been de Gaulle's. To underline their commitment to the Community, its methods and finality, one of the first decisions

Birth of the European Council, Paris, December 1974.

¹⁷ This aspect is well elaborated by one of the witnesses of the first years of the European

Council, one of the "sherpas" of the time: Marcell von Donat: *Europe qui tire les ficelles?* Paris 1979; the German version under the title: *Brüsseler Machenschaften*. Baden-Baden, 3rd edition 1977.



taken at the first European Council meeting in 1975 was to re-balance the institutional system and to strengthen the supranational side, to inflate more direct legitimacy in the system – by means of direct elections of the European Parliament, something de Gaulle had definitely refused.

What had been considered to be incompatible a decade before – institutionalizing of cooperation at the top level of the Heads of State and Government, on the one hand, and supranational integration via direct elections of a common Parliament – was now, under changing conditions, with a new leadership, possible. The outcome was a strengthening of European integration on both ends, the intergovernmental one, by the creation of the European Council, and the supranational one, by legitimizing the European Parliament.

Still, the creation of the European Council focused political leadership in and for the European Communities on representatives of the national level, in this multilevel governance system. Theoretically, and alternatively, political leadership could have been provided by the President of the European Commission,

too, as had been envisaged initially, in 1950, and as it was still stipulated by Walter Hallstein, in the 60s. But the Heads of State and Government, Giscard and Schmidt in the first rank, did insist that they provide this leadership themselves, and would not confer it upon the driving seat of the European Communities executive, the Commission. In so far, the European Council was a shift from a path towards an “ever closer union”¹⁸ to the member states being the “Masters of the Treaties”¹⁹, or from “Beyond the Nation State”²⁰ to “The European Rescue of the Nation States”²¹. It would be them, the member states, from now on who would decide the destiny of the Community, despite their counterpart in the European Parliament, to be elected directly soon. But inflating democratic legitimacy in the European Parliament, as the supranational counterpart to the intergovernmental European Council, meant at the same time that the Commission would be the loser of this advance in European integration.

¹⁸ See the history of this formula in the exposition of the European Institute in Florence, on the 60th anniversary of the Rome Treaties:

<https://www.eui.eu/Documents/Research/HistoricalArchivesofEU/ADG/Ever-Closer-Union-catalogue.pdf>

¹⁹ The German constitutional court coined this formula (“Herren der Verträge”) in his ruling on the Maastricht Treaty in 1993; see

<https://www.bundesverfassungsgericht.de/SharedDocs/Pressemitteilungen/EN/1993/bvg93-039.html>.

²⁰ Ernst B. Haas, the leading theorist on international regionalism in the 60s, elaborated this formula in his two milestone books, one of them under that title: Beyond the Nation State. Functionalism and International Organization. Stanford 1964; the other one, focusing more on Europe, is: The Uniting of Europe. Political, Social and Economic Forces 1950-1957. Stanford 1958.

²¹ Alan Milward: The European Rescue of the Nation State. Berkeley 1992.



5 Conclusions and Lessons

The same twofold – or: ambiguous – mechanism of advancing on the path of integration was to occur several times, over the following decades, until the Lisbon Treaty, establishing a permanent presidency for the European Council, strengthening its functioning, and the elevation of the European Parliament to be an equal legislative chamber, at the same level as the Council of the European Union (the ‘Council of Ministers’). The Commission, strengthened as well by an increased margin of maneuver of his president, but weakened at the same time by maintaining the rule of one commissioner per member state, is still lacking behind and has become more and more an executive body at the service of the European Council.

Another lesson to be drawn from the creation of the European Council for European integration is the junction of an internal integration logic with external challenges, a setting which drove already the first step towards European integration, the Schuman Plan, in 1950 – when France was under pressure from the other Western allies to solve the German problem (external driver), and wanted to overcome the secular enmity between France and Germany, by eliminating foreseeable conflict over the crucial resources for the recovering economies, coal and steel. External threats and internal integration logic again and again came together to help

European integration over ever new thresholds.

Fourth lesson: Political leadership is needed, too – structural constraints do not act themselves, they have to be turned into political action by individuals, who have to take courageous decisions to overcome previous deadlocks. This, too, occurred many times over the seven decades of integration, starting again with the “leap into the unknown” Robert Schuman was ready to undertake in 1950, reaching a benchmark with the decision to finally implement the Common Market, to accept Qualified Majority Voting (QMV), i.e. to give up an essential part of national sovereignty, to pay this price in order to reconquer global competitiveness in a changing world, in the middle of the 80s – François Mitterrand, Helmut Kohl, Jacques Delors (and others) provided this leadership. The European Council set the stage for this essential ingredient of successful integration – it has not always been fully exploited.

Last not least, the creation of the European Council and its role over the decades, starting with its capacity to preserve the unity of the Communities under the critical tensions during the crisis of the 70s, illustrates the wisdom of one of Winston Churchill’s numerous sayings: “Never let a good crisis go to waste”. Indeed, it was crises which drove European integration forward, challenges in critical moments, at the confluence of internal integration paths staggering in front of seemingly



unsurmountable thresholds on the one hand, and external threats pushing the integration process forward, moments of history, which required courageous decision making, political leadership. It is not good ideas as such, which made European integration happen and advance, but urgency. The European Council owes his coming into existence to one of the deepest crises in European post-war history, the crisis of the 70s, and the correspondingly strong political leadership provided by the Heads of State and Government of the time.

Key Contributions

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