

## 'Economic and monetary union', from Stuttgarter Zeitung (17 October 1970)

**Caption:** On 17 October 1970, the German daily newspaper Stuttgarter Zeitung welcomes the commitment of the Luxembourg Prime Minister and Finance Minister, Pierre Werner, to European economic and monetary union.

**Source:** Stuttgarter Zeitung. Hrsg. Eberle, Josef ; Herausgeber Tross, Rainer. 17.10.1970, Nr. 240; 26. Jg. Stuttgart: Stuttgarter Zeitung.

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## Economic and monetary union by the end of this decade

### The Werner Committee submits its three-stage plan for economic cooperation among EEC Member States — approval deemed certain

By our own correspondent

**Brussels.** The European Economic Community is set to expand into a genuine Economic and Monetary Union before the decade is out. The basis for this development will be a three-stage plan, which was submitted in Brussels on Friday by the 'Werner Committee'. Once the Economic and Monetary Union has come into being, the most important economic policy decisions will no longer be taken in the six EEC capitals but at 'Community level' in Brussels. And there will only be a single currency. The first stage of this plan is supposed to start on 1 January 1971; initial attention would focus on harmonising all economic and financial policy decisions and on an attempt to begin reducing exchange-rate fluctuations between the six currencies. It is regarded as certain in Brussels that the European Council of Ministers will adopt the staged plan by the end of this year.

The Werner Committee is a working group made up of the presidents of the EEC's five economic policy committees and is chaired by Luxembourg's Prime Minister, Pierre Werner. As top-level representatives of the six EEC Member State governments sit on the Werner Committee, it is thought unlikely that the Plan could fail.

The Plan clearly underlines the 'fundamental political significance' of the transfer of economic decision-making power from the capitals to Community authorities. It is the opinion of the Committee that such a transfer is only possible if political cooperation between Member States is strengthened generally. Economic and monetary union 'thus appears as a leaven for the development of political union, which in the long run it cannot do without.' This is why the Werner Committee insists, in particular, that the common economic authority that would be required to manage the EEC economy by the end of the 1970s should be accountable to a European Parliament.

The Committee has, however, only developed clear ideas about the first stage of the journey to economic and monetary union. Stage one would, in principle, last only three years but could be extended by decision of the Council of Ministers. Binding consultations preceding all important decisions by the Member States would lead to the harmonisation of economic policy in the course of this phase. The goal of creating a block of stability, that is of achieving greater price stability than in other countries, is explicitly stated.

The broad lines of economic policy are to be determined collectively and in clear figures too. This also goes for the benchmark figures for public budgets. Tax harmonisation is to be pushed forward sufficiently fast for border controls on private travel between Member States to be scrapped by the end of the first stage (1973).

The Werner Plan is the most comprehensive attempt to push forward Europe's political unification since the founding of the EEC. It is surprising that the plan by stages is receiving strong support from the governments when the Foreign Ministers are, at the same time, finding it most difficult to agree on effective cooperation in foreign policy matters. The interest in monetary union is partly to be explained by the fact that the monetary difficulties of the past two years have made it crystal clear that the EEC is in constant danger as long as economic imbalances between Member States are allowed to persist. The Federal Government, which seems determined to push the Werner Plan through during its presidency of the EEC Council of Ministers (i.e. before the end of the year), may be influenced by the further consideration that Germany's interest in a monetary union underscores the ties with the West.