

## Pierre Werner — a European vocation. Biographical highlights, by Elena Danescu

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## Pierre Werner — a European vocation

### Biographical highlights

Pierre Werner was an economist and a lawyer, a politician and a diplomat, a leading player in the building of a united Europe and, in particular, monetary integration. He was actively involved in building the Luxembourg we see today, a figure in academic circles, at the forefront of economic, European and trans-Atlantic networks and a militant Catholic intellectual — in short, a man of many parts whose life spanned the 20th century.

Pierre Werner was born of Luxembourgish parents in Saint-André near Lille, France, on 29 December 1913.

After primary school, he went to an industrial and commercial school (where emphasis was particularly placed on the English language) <sup>1</sup> with a view to taking over the family business from his father. <sup>2</sup> In view of his school results, and spurred on by his teachers, who wanted to see him devoting more time to the humanities side of his studies so that he could rise to the demands of any further career, he redid his final year in Latin at the Lycée classique in Luxembourg, where he passed his baccalaureate. He enrolled in the higher preparatory course in law in Luxembourg (1934–1935) before going to Paris to take the courses at the Faculty of Law (1935–1937), at the same time attending courses at the École libre des sciences politiques. In January 1938 Werner took his doctorate of law in Luxembourg.

From early on, Pierre Werner was an active member of student associations in Luxembourg, where he was the president of the Association of Catholic University Students (1935–1937). At the international level, in 1937 he became the vice-president of the ‘Pax Romana’ <sup>3</sup> movement. During his time in Paris, Werner lived at the Biermans-Lapôte Foundation, <sup>4</sup> where he took part in the activities of the History Club, <sup>5</sup> which several of his countrymen were involved in running. It was here that Pierre Werner joined the European ranks of Catholic thinkers and forged useful links with large numbers of prominent figures, including his teachers Jacques Rueff, <sup>6</sup> Charles Rist, Wilfried Baumgartner and Fernand Collin, who greatly influenced his intellectual development and stimulated his interest in the study of monetary questions. In Paris he also met Robert Schuman, <sup>7</sup> whom he was to run into again in the early 1950s, when the High Authority of the ECSC was being set up in Luxembourg.

As a young lawyer at the Luxembourg bar, interested in the area of private finance, Pierre Werner was awarded an internship at the Banque Générale de Luxembourg in 1938 and stayed there until 1944. As he was to reveal later in his memoirs, he escaped Nazi persecution <sup>8</sup> because of the Deutsche Bank’s financial interests in the Luxembourg bank. <sup>9</sup> His work in the secretariat of the BGL prompted him to write a report on the monetary, financial and banking situation in Luxembourg in 1942 <sup>10</sup> which he managed to send to the Luxembourg Government in exile in London through the Martin network <sup>11</sup> of the French Resistance.

In 1946, Pierre Werner was commissioned to make a study of the reorganisation of the banking system in Luxembourg. <sup>12</sup> He was then appointed banking commissioner with responsibility for setting up an authority to regulate the organisation of the credit market and international financial collaboration. He represented Luxembourg in international negotiations on several occasions, particularly in Switzerland and within the Benelux. At a very early stage he became familiar with the two new multilateral international financial institutions: <sup>13</sup> the International Monetary Fund and the World Bank.

In 1949, Pierre Werner was appointed government adviser and acting secretary to the Council of Ministers. This post brought him into direct contact with the general affairs of the country <sup>14</sup> and gave him opportunities to work closely with the President of the Government, Pierre Dupong, <sup>15</sup>

who soon regarded Pierre Werner as the best man to succeed him as Minister for Finance. This duly came about in December 1953 when, following the death of the Minister of State, Pierre Werner, who had just been elected to the Chamber of Deputies, was called upon to join the new cabinet<sup>16</sup> set up and headed by Joseph Bech.<sup>17</sup>

After the 1959 elections, Pierre Werner became Minister of State and President of the Government, in which capacities he served from 1959 to 1974 and from 1979 to 1984. This post was combined with other ministerial portfolios in what were seen as priority areas: Finance (1959–1964 and 1969–1974), the Treasury (1964–1969 and 1979–1984), Foreign Affairs and Justice (1964–1967), the Civil Service (1967–1969) and Cultural Affairs (1969–1974 and 1979–1984).

In 1974, the Christian Social Party (CSV), which had been in power since 1926, went into opposition. During that parliamentary term (1974–1979), Pierre Werner had a seat in the Chamber of Deputies (as chairman of his party's parliamentary group) and also on the Luxembourg City Council.

In July 1984, when his party emerged as the winner in the general election, Pierre Werner withdrew from political life but remained active in public affairs. His favourite fields of action were the promotion of Economic and Monetary Union and the euro, and the development of the media and the audiovisual sphere,<sup>18</sup> particularly through the project for the Société Européenne des Satellites.

Werner had been aware of the importance of European issues since his university days, and his commitment to European unification took firm shape in 1949, when he became convinced 'of the urgent need for the countries of Western Europe to undertake the economic and political construction of a united Europe. His experience of working in the international arena, particularly his awareness of the weakness and the divided state of Europe, made it almost an intellectual obligation.'<sup>19</sup>

By becoming more and more closely involved, through his posts in the Luxembourg Government, in the great issues of European integration, Pierre Werner, who was drawn to act as both a Luxembourgish and a European, was to leave his imprint on the key events in that process.

## **European integration and national interests**

### **The battle over the seats of the institutions**

From 1952 onwards, Luxembourg was the workplace and the seat of the High Authority of the ECSC. The signing of the Rome Treaties and the question of the location of the seat of the new Communities,<sup>20</sup> the hesitation and reluctance displayed by the Luxembourg Government<sup>21</sup> and its preference for a 'split seat' made the continuance of the country as the capital of the Communities precarious.

In these circumstances, the priority for the Werner Government which emerged from the June 1964 elections was to defend Luxembourg's position as the seat of the European institutions. Determined to play a direct and ongoing role in defending Luxembourg's interests, Prime Minister Pierre Werner also took on the Foreign Affairs portfolio. He thus played an active part in the difficult negotiations which culminated in the signing of the Merger Treaty establishing a single Council and a single Commission of the European Communities.<sup>22</sup> On 2 March 1965, he got the EEC Council of Ministers to sign a document stipulating that 'Luxembourg, Brussels and Strasbourg shall remain the provisional places of work of the Community institutions'. This convention, which laid down that the Community's financial and legal institutions should be grouped in Luxembourg, led to a specialisation of the seats.<sup>23</sup> Luxembourg was to continue to fight its corner in the 'politics of the seats', as it was an issue which kept coming up.<sup>24</sup>

As soon as he joined the government as Finance Minister, Pierre Werner turned his attention to the major projects for the reconstruction<sup>25</sup> and development of the country (civil engineering, infrastructure, town and country planning), which mobilised considerable resources. With a view to making Luxembourg a modern, forward-looking country and a ‘true international platform’,<sup>26</sup> a major town-planning scheme to redevelop the Kirchberg plateau was launched in 1961. Specifically, this ‘European quarter’ of Luxembourg City was developed to serve as a major asset for the country in the battle for the location of the Community’s seats.

As Foreign Minister, Pierre Werner also helped to set up Luxembourg’s own, independent system of diplomacy, thereby continuing the process launched by Joseph Bech at the start of the Second World War, and to form Luxembourg’s diplomatic and intellectual elite.<sup>27</sup>

### **Confirmation of Luxembourg’s financial position**

In 1967, the defence of Luxembourg’s interests through the safeguarding of its position as a financial centre prompted Pierre Werner to step into the breach, not to say openly oppose some of his European partners, especially France, in his role as Finance Minister.

The regulation of capital flows at Community level and the harmonisation of taxation to that effect<sup>28</sup> were, he said, likely ‘to have a profoundly unsettling effect on the Grand Duchy’s financial legislation, some elements of which have been the foundation of Luxembourg’s fortune as an international financial centre’.<sup>29</sup> Thus, at a meeting of the Council of Ministers on 4 March 1968, basing his judgment on the parallel he saw between the free movement of goods (which was to be put into effect on 1 July 1968) and the free movement of capital, Pierre Werner proposed giving priority to monetary harmonisation and tackling tax harmonisation later. The difficulties faced by the pound sterling and then the French franc brought monetary questions to the fore and proved that Pierre Werner had been right in his choice. The special features of Luxembourg’s financial arrangements, which were later to be contested more than once by these same partners, were thus safeguarded.

### **BLEU: Monetary identity and national sovereignty**

The specific monetary status of the Grand Duchy and its monetary association with Belgium gave that partnership a special flavour. In 1982, action by Belgium which put the Belgo-Luxembourg monetary agreements under strain<sup>30</sup> endangered the Belgo-Luxembourg Economic Union (BLEU), and Luxembourg seriously considered withdrawing from the monetary union.<sup>31</sup> With Pierre Werner in the driving seat, the Luxembourg Government toned down its decision and, having regard to the considerable political importance of the BLEU, continued the partnership, while at the same time increasingly asserting its monetary autonomy. As a way to a lasting solution, it called in the experts,<sup>32</sup> who concluded that a purely national monetary system was viable. That being so, the Luxembourg Monetary Institute (LMI)<sup>33</sup> came into being, which did, of course, make it possible for the country to assert its monetary identity, but, most of all, put it on an equal footing with the other countries in the European Monetary System (EMS).

### **European achievements**

#### **The ‘Luxembourg Compromise’**

In January 1966, it was the turn of Luxembourg to hold the presidency of the EC Council of Ministers.<sup>34</sup> Pierre Werner hosted and led the meetings in Luxembourg, with France once again attending after seven months’ absence.<sup>35</sup> The Luxembourg Prime Minister, known for his consensus-seeking character and the good personal relations he maintained with all the parties present, made a decisive contribution<sup>36</sup> to the working out of an agreement which freed the Community from deadlock.<sup>37</sup> This was the ‘Luxembourg Compromise’,<sup>38</sup> the ‘Luxembourg reconciliation’.

This successful mediation in European affairs at a difficult time encouraged the idea that Pierre Werner might one day stand for the presidency of the Commission of the EC.<sup>39</sup> It was only a rumour, as the Luxembourg Prime Minister never really considered giving up his national electoral mandate.

In his moves to foster dialogue and rapprochement, Pierre Werner adopted an approach which he saw in theoretical terms as a method for any presidency: ‘I regarded my presidency as an opportunity, primarily, for creating an atmosphere and a climate of negotiation which took account of the delicate sensitivities of partners aspiring to reach agreement. The agreement must not leave any losers in a squabble over minutiae of language which may disguise a persistent underlying disagreement.’<sup>40</sup>

### **The ‘Werner Committee’ and the ‘Werner Plan’**

At the end of the Hague Summit (1–2 December 1969), the Nine decided to set up a group of experts to explore ways of making progress ‘towards economic and monetary union by stages’. As Raymond Barre put it: ‘This decision by the Heads of State and Government ... was the outcome of an agreement between Mr Pompidou and the German Chancellor Mr Willy Brandt, and Mr Monnet, whom I had seen before the summit. He had told me that he was intervening personally to ensure that the monetary question would be raised at the summit.’<sup>41</sup>

On 6 March 1970, Pierre Werner was made chairman of the group following the securing of the unanimous agreement of the Six by Baron Snoy et d’Oppuers, the Belgian Finance Minister. The choice of Pierre Werner was no accident: he was a ‘man of consensus’, and his concerns for and moves to encourage European monetary integration had been known about since the 1960s in expert circles (university teachers, bankers, financiers) and political circles, particularly among the Finance Ministers and central bank governors with whom he had been associating since 1953.<sup>42</sup>

The ad hoc group started its work in Luxembourg on 20 March 1970. A report was issued after fourteen plenary meetings, nine of them in the Grand Duchy, and after meetings of select members in various formats. Pierre Werner presented it publicly in Luxembourg on 8 October 1970 and submitted it officially to the European Commission and the Council of Ministers a week later.

This report, known thereafter as the ‘Werner Plan’,<sup>43</sup> was the result of an astute compromise between the economic and monetarist arguments put forward by the parties involved, which Pierre Werner brought about through his mediation and his good personal relations which he used in the interests of working out a balanced agreement to which everyone could subscribe. Werner’s personal archives describe the close, sustained ties he maintained with the Belgian and French members of his group — particularly Baron Hubert Ansiaux from Belgium, Chairman of the Committee of Governors of the Central Banks, and Bernard Clappier from France, Chairman of the Monetary Committee, and with their respective deputies, as well as with Johann-Baptist Schöllhorn from Germany, Chairman of the Medium-Term Economic Policy Committee. Pierre Werner’s work in coordinating the experts’ group was backed up with his personal contribution on the substance, especially during the drafting of the interim report, in defining the guidelines for further work on the deliberations of the group, and in the drafting of the final report. Pierre Werner became very involved in the drafting of the English-language version of the report and its dissemination in Britain through lectures and debates with the British Prime Minister, Edward Heath.<sup>44</sup> While the ad hoc group was doing its work, Pierre Werner was particularly active in the Action Committee for a United States of Europe — which consulted him and to which he also referred — and his public and confidential exchanges with Jean Monnet were intense.<sup>45</sup>

The ‘Werner Plan’ was set in motion on 25 March 1971 but was dropped in the face of the effects of the world economic crisis of 1973. In the discussions which followed the period of monetary

tension, the 'Werner Plan' was a source of inspiration for European monetary integration and for the many political initiatives (such as the 'Spiereburg Plan', the 'Tindemans Report' and the Report of Lord Cromer's Group) and scientific initiatives (the proposals by Professors Mundell and Magnifico) which came into being later. The Report of the Delors Committee <sup>46</sup> gave due credit to the 'Werner Plan', and Economic and Monetary Union became a reality 32 years after it was foreshadowed, with the introduction of euro coins and notes on 1 January 2002.

<sup>1</sup> This was the Limpertsberg commercial school in Luxembourg, where lessons were primarily given in English but also in German and French. Pierre Werner also attended intensive Italian lessons.

<sup>2</sup> His father Henri Werner had an oil products company in Luxembourg that was bought up by Shell in 1932 (Franck, Robert, *Biographies luxembourgeoises: Pierre Werner*, Éditions Saint-Paul, Luxembourg, 1988, p. 17)

<sup>3</sup> ‘Pax Romana’ is the International Movement of Catholic Intellectuals, set up in Fribourg on 20 July 1921. The Association of Catholic University Students (*Association Luxembourgeoise des Universitaires Catholiques — AV*) was one of the founder members. In 1934, the registered secretariat of the international movement was set up in Luxembourg, and Pierre Werner, Lambert Schaus and Fr Pierre Elcheroth, on proposals by the AV, became members of the secretariat’s board of directors. In 1936, Pierre Werner was elected vice-president of ‘Pax Romana’.

<sup>4</sup> The Fondation Biermans-Lapôte in Paris was founded in 1926 thanks to a donation by Jean-Hubert Biermans and his wife Berthe Lapôte, for the expressed purpose of ‘hosting academic, scientific or cultural activities organised, in particular, by Belgian, French and Luxembourgish universities’, thereby becoming the outcome ‘of commendable cooperation between Belgium, Luxembourg and France’. Since its creation, the Foundation, which is also known as the ‘Belgian and Luxembourgish Students’ House in Paris’ and is situated in Paris’s Cité Internationale Universitaire, has housed more than 25 000 students, teachers and researchers from every quarter of the compass.

<sup>5</sup> This *Cercle historique* was a discussion group for Belgian and Luxembourgish students run by Joseph Guill and Georges Bourg, dedicated to encouraging a more detailed knowledge of national history and developing arguments against the ideology calling for the return of Luxembourg to the Reich.

<sup>6</sup> Throughout his career Pierre Werner was to keep up his intellectual exchanges with Jacques Rueff, whom he met later and who encouraged him in his steps towards monetary integration. This is the conclusion we have reached from our researches in the Pierre Werner family archives, particularly in the papers filed in the cases marked PW 036, entitled ‘1962–1971. La monnaie de compte. L’unité de compte. Le dollar comme monnaie de réserve’ [1962–1971. The currency of account. The unit of account. The dollar as a reserve currency]; PW 046, entitled ‘L’intégration monétaire de l’Europe 1962–1969’ [The monetary integration of Europe 1962–1969]; PW 047, entitled ‘Groupe Werner: Antécédents, préparatifs et réunions 1968–1970’ [Werner Group: Antecedents, preparations and meetings 1968–1970]; PW 048, entitled ‘Intégration monétaire de l’Europe. Le Plan Werner: 1970’ [Monetary integration of Europe. The Werner Plan: 1970]; and PW 054, entitled ‘1972–1973. Union économique et monétaire. Fonds européen de coopération monétaire’ [1972–1973. Economic and monetary union. European monetary cooperation fund].

<sup>7</sup> When Pierre Werner was a student, Robert Schuman was a Member of the French National Assembly. Thanks to a combination of circumstances, Robert Schuman, who was born in Luxembourg, showed him round the Palais Bourbon and acted as his guide. His meeting with Robert Schuman is described in the [oral account by Henri Werner](#), son of Pierre Werner, recorded at the CVCE on 1 June 2010.

<sup>8</sup> His family was not, however, spared by the war. In June 1944, Pierre Werner’s brother was forcibly conscripted for *Arbeitsdienst* (labour service) and died at the labour camp in eastern Prussia on 15 January 1945.

<sup>9</sup> ‘[...] Thanks to my job at the Banque Générale, in which the Deutsche Bank had taken a major holding, I was able to escape Nazi persecution. Mr Weicker and I refused to join the *Heim ins Reich* movement despite the insistent urgings of a director who had been seconded by the German bank. [...] Meanwhile my apprenticeship as a banker was coming to an end. Following the departure of the Secretary-General, who was a Belgian by nationality, I was posted to the secretariat with the rank of senior banking executive. As such, I was responsible for closely monitoring developments in the legislation introduced by the occupying power and the headlong, unsettling reforms it made to the various areas of financial and economic life.’ It was in these same circumstances that Pierre Werner met Hermann J. Abs, chairman of the board of directors delegated by the Deutsche Bank, whose benevolent attitudes protected those who, like Werner and Weicker, refused to join Nazi organisations from the worst consequences of their stance. Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 1, pp. 15–16

<sup>10</sup> *Rapport sur la situation monétaire, financière et bancaire luxembourgeoise de 1942* drawn up by Pierre Werner in 1943 and sent to the Government in exile in London through the Martin network. Centre for Documentation and Research into the Resistance, Luxembourg. Subsequently published in *Rappel — Organe de la Ligue luxembourgeoise des prisonniers et déportés politiques, Luxembourg*, Year 49 (1994), No 1.

<sup>11</sup> Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et Souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 1, p. 16

<sup>12</sup> He accepted this assignment on the recommendation of Léon Schaus, Secretary-General of the Luxembourg Government during exile in Canada, whom Pierre Werner met some time after the Liberation. (Source: Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et Souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 1, p. 17)

<sup>13</sup> Particularly the OECD which emerged from the Marshall Plan, the IMF, the BLEU and the Benelux. As Adviser on Financial Affairs, Pierre Werner, at the behest of Pierre Dupong, also took part in the dealings relating to defence: the establishment of WEU, the plan for a European Defence Community, and NATO.

<sup>14</sup> Pierre Werner was to be associated, among other things, with the operations for the reintroduction of the franc, the refloating of banking activities paralysed by forced, irrecoverable investment in Germany, the ‘inventorying of the enemy’s wealth’ (the inventorying of German assets in banks based in Luxembourg), and the re-establishment of the Banque et Caisse d’Épargne de l’État.

<sup>15</sup> Pierre Dupong (1885–1953) was Minister of State and President of the Luxembourg Government in exile, and, after the Liberation, Minister of State, President of the Government and Finance Minister.

<sup>16</sup> Pierre Werner became Finance Minister and Armed Forces Minister, holding the posts from 1953 to 1959.

<sup>17</sup> Joseph Bech (1887–1975) was Foreign Minister and Minister of Education from 1936, including in the Luxembourg Government in exile in London, and held these posts until 1953, when he became Minister of State and President of the Government (1953–1958). From 1958 to 1959 he was once again Foreign Minister and then (1959–1964) President of the Chamber of Deputies.

<sup>18</sup> Pierre Werner became chairman of the Compagnie Luxembourgeoise de Télédiffusion (1985–1987), and of the Société Européenne des Satellites (1989–1996).

<sup>19</sup> Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 1, p. 35

<sup>20</sup> Jean Monnet mentioned the idea of a single seat, ‘which he would have been glad to see in Luxembourg’, and spoke of the creation of a European district on the American model. The Luxembourg Government had reservations and was more in favour of the principle of a split seat. (Rieben, Henri, *À Luxembourg, au cœur du chantier européen avec Jean Monnet et Pierre Werner*, Fondation Jean Monnet pour l’Europe, Centre de recherches européennes, Lausanne, 1993)

<sup>21</sup> ‘Luxembourg wanted both to keep the ECSC and not to lose its soul,’ according to Joseph Bech, who feared a second European invasion.

<sup>22</sup> After three years of tough negotiations, the treaty merging the executive bodies of the Communities was signed in Brussels on 8 April 1965. It was to enter into force on 1 July 1967. From then on, the Commission of the European Communities was a single body for the three Communities (ECSC, EEC and Euratom).

<sup>23</sup> The European Parliament Secretariat and the Court of Justice remained in Luxembourg. Meetings of the Council of Ministers were held there periodically. The European Investment Bank and various services (the Court of Auditors, the Statistical Office and the Official Publications Office) were to be installed in Luxembourg.

<sup>24</sup> On 7 July 1981 the European Parliament adopted a resolution providing for a review of the functioning of the secretariat and the technical departments, while a growing number of Members of the European Parliament called for a single, final seat for their institution. This resolution seemed to herald their eventual transfer to Brussels, but it ran counter to the 1965 treaty merging the executives, which laid down that the secretariat and its departments should be established in Luxembourg. Subsequently, the Maastricht European Council (23–24 March 1981) decided that the status quo as regards the places of work of the Communities should be maintained.

<sup>25</sup> Werner, Pierre, *L’État bâtisseur. La reconstruction*, Press and Information Service, Luxembourg, Imprimerie Linden, 1954

<sup>26</sup> Pierre Werner, *Luxembourg — plate-forme internationale*, P. Linden (Ed), 1960, 214 p., ill.

<sup>27</sup> At the Foreign Ministry, Pierre Werner worked together closely with the professor and lawyer Pierre Pescatore, Secretary-General of the Ministry from 1950 to 1967. In 1957 and 1958, Pierre Pescatore, who was also his brother-in-law, led the Luxembourg delegation at the negotiations establishing the Benelux Economic Union.

<sup>28</sup> On the agenda of the Council of EEC Finance Ministers of 16 January 1967. This ‘priority need’ was supported by France, represented by Michel Debré.

<sup>29</sup> Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et Souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 2, p. 94

<sup>30</sup> On 21 February 1982 the Belgian Government unilaterally decided to devalue the Belgian franc by 8.5 %. The Luxembourg authorities were faced with a fait accompli and were only able to secure a reduction in the percentage devaluation.

<sup>31</sup> In the [interview he gave to CVCE](#), [Albert Hansen](#), Secretary-General of the Government in 1982, said that ‘even special Luxembourg notes and coins were minted, in case the decision to leave the monetary union with Belgium was upheld. This stock of money, which was never used, remained in the safes of the Ministry of State, the seat of the Prime Minister, until 2008, when it was destroyed.’

<sup>32</sup> Jelle Zylstra, former governor of the Nederlandse Bank, was commissioned to look into the viability of a purely national monetary system. His conclusion was that Luxembourg was capable of setting up a separate, independent Luxembourg currency unit. This was the opposite of the opinion of Hjalmar Schacht, who was consulted on the same question in the 1920s. (In *La question monétaire au Luxembourg, Études économiques luxembourgeoises*, Institut Universitaire International Luxembourg (ed.), Luxembourg, 1985)

<sup>33</sup> The embryo of the future Luxembourg Central Bank, the IML — established by law of 20 May 1983 — was, among other things, responsible for issuing notes and coins and supervising the financial sector. Though not yet an autonomous central bank in the strict sense, the IML was given all the powers it needed to take on the functions of a central bank in full should Luxembourg’s leaders decide to bring the monetary union with Belgium to an end.

<sup>34</sup> Since the adoption of the Rome Treaties in 1957, Luxembourg has held the presidency of the Council of Ministers ten times, including in the first six months of 1960, 1963, 1966, 1969, 1972 and 1976. Apart from that of 1976, all these presidencies were managed solely by various governments headed by Pierre Werner.

<sup>35</sup> France opposed its five partners and the European Commission because of the gradual move, as from 1966, from unanimous voting to qualified majority voting, as laid down by the Treaty of Rome. As a sign of its opposition, the French Government, which favoured the intergovernmental approach, pursued an ‘empty chair’ policy and did not



occupy its seat in the Council of Ministers from 1 July 1965 to 29 January 1966.

<sup>36</sup> In his memoirs, Pierre Werner says that the discussions which culminated in the ‘Luxembourg Compromise’ were based on an evolving document called the ‘Luxembourg document’, drafted by the Grand Duchy’s delegation (Pierre Werner, Albert Borschette and Christian Calmes) and constantly adjusted according to the question under discussion and the wordings on which the Five had agreed unanimously, the adjustments being made by two successive pairs of delegates, Schroeder-Luns and Colombo-Spaak. As the chairman of the conference, Pierre Werner steered and led the debates from the outset along ‘two main lines: majority voting and relations between the Council and the Commission’, and ‘the conference achieved what it mainly set out to achieve: France’s return to the negotiating table, and [...] the legal integrity of the Treaty of Rome, [which] remained intact.’ (Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et Souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 2, pp. 73–80)

<sup>37</sup> ‘At a difficult time, when two different viewpoints were head to head, the Luxembourg Compromise made it possible to move forward.’ Ibid.

<sup>38</sup> The agreement signed in Luxembourg on 29 January 1966, containing French concessions in the area of voting rights, was worded as follows: ‘Where, in the case of decisions which may be taken by a majority vote on a proposal from the Commission, very important interests of one or more partners are at stake, the Members of the Council will endeavour, within a reasonable time, to reach solutions which can be adopted by all the Members of the Council while respecting their mutual interests and those of the Community.’ ([‘The Luxembourg Compromise’](#))

<sup>39</sup> ‘There was a rumour going round in the first half of 1967 that Pierre Werner might stand for President of the EC Commission. Taking the results he had achieved in the Council of Ministers into account ...’ Source: Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et Souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 2

<sup>40</sup> Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et Souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul, Luxembourg, 1992, Volume 2, p. 79

<sup>41</sup> *Entretien avec Raymond Barre*, by Marie-Thérèse Bitsch, Éric Bussière, Ghjisepu Lavezzi. Transcription. Paris, 20 February 2004. History of the European Commission. Project coordinator: Université catholique de Louvain (UCL, Louvain-la-Neuve). Part of the programme entitled *Voix sur l’Europe: Histoire interne de la Commission européenne 1958–1973*, ConsHistCom: 220 interviews with European political personalities and senior officials of the Commission conducted by professors of history occupying Jean Monnet Chairs. Source: <http://wwwarc.eui.eu/int/pdf/INT763.pdf>

<sup>42</sup> We will discuss these various points in detail in Chapters 2 and 3. Pierre Werner’s view regarding monetary integration first became known in the 1960s, as it was set out in the lectures he gave in academic circles and to political sympathisers (e.g. the idea of a single currency, ‘EUROR’/Strasbourg, 1960; the establishment of a Community monetary institute to guide and implement a common policy/Cercle Gaulois, Brussels, 1962).

<sup>43</sup> We will discuss this point in detail in Chapter 3. The ‘Werner Report’ argued for the coordination of economic policies, the need for common decision-making bodies, the centralisation of monetary policy, initial limits on exchange rate variations and the establishment of a European Fund to support the rates. At the end of three stages spread over ten years, the Report looked to the establishment of a common central bank and, possibly, the introduction of a single currency.

<sup>44</sup> See the [interview with Henri Werner](#), son of Pierre Werner, recorded at the CVCE on 1 June 2010, and the Pierre Werner family archives, cases marked PW 036, entitled ‘1962–1971. La monnaie de compte. L’unité de compte. Le dollar comme monnaie de réserve’, PW 044, entitled ‘Problèmes monétaires 1976–1979’, and PW 054, entitled ‘1972–1973. Union économique et monétaire. Fonds européen de coopération monétaire’.

<sup>45</sup> Pierre Werner family archives, particularly according to the papers in the cases marked PW 036, entitled ‘1962–1971. La monnaie de compte. L’unité de compte. Le dollar comme monnaie de réserve’ [1962–1971. The currency of account. The unit of account. The dollar as a reserve currency]; PW 046, entitled ‘L’intégration monétaire de l’Europe 1962–1969’ [The monetary integration of Europe 1962–1969]; PW 047, entitled ‘Groupe Werner: Antécédents, préparatifs et réunions 1968–1970’ [Werner Group: Antecedents, preparations and meetings 1968–1970]; PW 048, entitled ‘Intégration monétaire de l’Europe. Le Plan Werner: 1970’ [Monetary integration of Europe. The Werner Plan: 1970]; and PW 054, entitled ‘1972–1973. Union économique et monétaire. Fonds européen de coopération monétaire’ [1972–1973. Economic and monetary union. European monetary cooperation fund].

<sup>46</sup> In his memoirs, Jacques Delors puts it clearly: ‘(In the Delors Committee Report) ... we agreed on the three phases taken from the Werner Report: phase one, dedicated to stepping up coordination, from July 1990; phase two, transition to the final phase, preparing the final institutions of Economic and Monetary Union; final phase, in which the exchange rates between the currencies and between them and the single currency would be fixed irrevocably.’ Delors, Jacques, *Mémoires*, Éditions Plon, Paris, 2004, p. 338. In *Pierre Werner — testimonies at the threshold of the 21st century*, transcription, extract from the documentary film, European Commission, 1999, he says: ‘One might say that the overall philosophy behind what we proposed and even the structure of the Delors Report were heavily inspired by the Werner Report ... The Delors Committee Report was in the direct line of descent from the Werner Committee Report.’