

The implementation of the Werner Report

Source: DANESCU, Elena Rodica. 'The implementation of the Werner Report', in A rereading of the Werner Report of 8 October 1970 in the light of the Pierre Werner family archives. Sanem: CVCE, 2012. Available at: www.cvce.eu.

Copyright: (c) CVCE.EU by UNI.LU

All rights of reproduction, of public communication, of adaptation, of distribution or of dissemination via Internet, internal network or any other means are strictly reserved in all countries.

Consult the legal notice and the terms and conditions of use regarding this site.

URL: http://www.cvce.eu/obj/the_implementation_of_the_werner_report-en-652f12ee-6b6d-43aa-ab4b-7876b49a7e41.html

Last updated: 07/07/2016



The implementation of the Werner Report ¹

On 22 March 1971, in line with proposals from the Commission ² that had drawn their inspiration from the Werner Report, ³ the Member States adopted a political resolution (albeit one with no legal force) committing them to establishing economic and monetary union. ⁴ The resolution made no mention of the concept of an ‘economic policy centre’, but it did state that economic and monetary union ‘means that the main economic policy decisions will be taken at Community level, and therefore that the necessary powers will be transferred from the national to Community level’. ⁵ The culmination of EMU could be the adoption of a single currency which would guarantee that the operation was irreversible.

This process was to extend over a ten-year period, with progressive actions in parallel on the economic convergence and monetary cooperation fronts. Only stage one, planned to run from 1 January 1971 to 31 December 1973, was clearly defined. Among the measures planned for this stage was the establishment of a medium-term financial assistance mechanism ⁶ and the gradual shrinking of the margins of fluctuation between European currencies. ⁷ Stage one was also to see the gradual adoption of common standpoints in monetary relations with non-Community countries, particularly the United States, and within international organisations, especially the International Monetary Fund. As a flanking measure alongside efforts to reduce the margins of fluctuation between the Member States’ currencies, the resolution provided for the establishment of a European Monetary Cooperation Fund ⁸ during stage one.

As regards the substance, the resolution on EMU of 22 March 1971 opted for a minimalist approach. It had far-reaching consequences, however, as it was the first time a resolution by the Council and the Representatives of the Governments of the Member States had spoken openly about the wish to deepen monetary, financial and fiscal integration. But the international monetary crisis which took off in 1971 was to upset the European countries’ plans.

¹ Unless otherwise indicated, the source of all the documents cited in this study is www.cvce.eu.

² [‘Communication and proposals from the Commission to the Council on the establishment by stages of economic and monetary union’](#), document COM(70)1250, 29 October 1970, in Official Journal of the European Communities, Annex C 140 of 26 November 1970, supplement to Bulletin 11/1970, Luxembourg, 11 November 1970. (Document consulted on 10 October 2012.)

³ [‘Report to the Council and the Commission on the realisation by stages of economic and monetary union in the Community \(Werner Report\)’](#), Council and Commission of the European Communities, supplement to Bulletin 11 of the European Communities, doc. 16.956/11/70, 8 October 1970. (Document consulted on 10 October 2012.)

⁴ [‘Resolution of the Council and of the Representatives of the Governments of the Member States of 22 March 1971 on the attainment by stages of economic and monetary union in the Community’](#), in Official Journal of the European Communities, No C 28, 27.03.1971. (Document consulted on 10 October 2012.)

⁵ Ibid. p. 15

⁶ The establishment of a medium-term financial assistance programme open to countries with balance-of-payments difficulties. The participating countries may reach mutual agreement on the credits, for a period of two to five years, on terms and at rates which will be fixed in each case. The total resources which could be mobilised were to come to two billion dollars. Ibid., p.17.

⁷ There was provision for ‘by way of experiment, to keep fluctuations in the rates between Community currencies within margins narrower than those resulting from the application of the margins in force for the US dollar’. Source: Ibid. Since the fluctuations of each currency against the dollar were not to exceed 1 %, the margins between any two Community currencies would have to be reduced to less than 2 %. The central banks had been asked to take action, on an experimental and unofficial basis, to reduce the margins of exchange-rate fluctuations as from June 1971. This Community mechanism for the progressive tightening of the margins of fluctuation between the Member States’ currencies, known as the ‘currency snake’, entered into force in April 1972.

⁸ See [Council Regulation \(EEC\) No 907/73 of 3 April 1973 establishing a European Monetary Cooperation Fund](#). Official Journal No L 089 of 05.04.1973, pp. 2–5. The fund entered into force in June 1973. (Document consulted on 10 October 2012.)