

## The establishment and work of the Werner Committee (March–October 1970)

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The new leaders of France and Germany, Georges Pompidou and Willy Brandt, who came to power almost simultaneously, gave a decisive boost to European integration. This resulted in the Hague Summit, which was held on 1 and 2 December 1969 to discuss the ‘completion, deepening and enlargement’ triptych.<sup>1</sup> Monetary cooperation was one of the priority areas for action.<sup>2</sup> The Member States therefore decided to explore ways of making progress towards economic and monetary union over the next decade and set up an ad hoc committee of experts in the field.<sup>3</sup>

On 4 March 1970, the EEC Commission submitted proposals to the Council of Ministers concerning the structure and composition of this committee. There seem to have been three main reasons for the choice of members. Firstly, the experts had to be officials in charge of economic and financial policy in the Member States. Secondly, they had to be particularly committed to European integration. And lastly, any solution put forward had to have the widest support possible at government level.

It was therefore decided that the committee should be formed of the leaders of the five specialised committees of the Commission, who also held high national offices, but that they would sit on the committee in a personal capacity. These were the chairmen of the Monetary Committee (Bernard Clappier from France, who was also Deputy Governor of the Banque de France), the Committee of Governors of the Central Banks (Hubert Ansiaux from Belgium, Governor of the National Bank of Belgium), the Medium-Term Economic Policy Committee (Johann Baptist Schöllhorn from Germany, also State Secretary in the Federal Ministry of the Economy), the Conjunctural Policy Committee (Gerard Brouwers from the Netherlands, State Secretary in the Dutch Ministry of the Economy) and the Budgetary Committee (Gaetano Stammati from Italy, Treasurer-General in the Italian Ministry of the Treasury). The Commission was represented by the Director-General for Economic Affairs (DGII), Ugo Mosca. It also ran the ad hoc group’s secretariat, which was coordinated by Georges Morelli, a Commission official in DGII.

The composition of the group was such that Luxembourg was the only one of the Six not to be represented. It was at this point that [Pierre Werner](#)’s name was put forward.<sup>4</sup> At the time he was Prime Minister and Finance Minister of Luxembourg and also President-in-Office of the EEC Council of Ministers. Two major factors worked in his favour: his recognised expertise in economic and monetary matters and his reputation as a man of consensus, which had been confirmed by the [Luxembourg Compromise](#).<sup>5</sup> After securing the unanimous agreement of the Member States, Pierre Werner was appointed chairman of the committee of experts. On 6 March 1970, the Council of Ministers reached agreement on the procedure to be followed in respect of economic and monetary cooperation and confirmed the composition of the group of experts and the terms governing the chairman’s duties.

The Werner Group met for the first time on 11 March 1970 in Luxembourg. The aim of this preliminary meeting was to decide on the working method<sup>6</sup> and the procedure for the discussions<sup>7</sup> and to set a deadline for reaching conclusions. The experts planned to draft a first report in May 1970 and to reach their final conclusions by the end of July that year.

The [work of the Werner Group](#) officially began on 20 March 1970 in Luxembourg City. The members and their [deputies](#) took part in a first exchange of views on the question of

establishing a plan by stages.<sup>8</sup> They decided to adopt a comparative approach and to identify from the outset the areas of consensus to be built on and the areas of disagreement that would have to be resolved. [Pierre Werner](#) suggested devising a plan with a starting point, an ultimate goal and alternative routes to link the two. The priority areas for reflection (the final objective and the institutional architecture) were also sketched out, and the main target dates for the group's work were set, including the final result, which, in the form of a report to the Council, was to be achieved by the end of July at the latest. This meeting gave rise to the first clashes between the [‘economists’ and the ‘monetarists’](#),<sup>9</sup> which would characterise all the Werner Committee's debates.<sup>10</sup>

At its second meeting, on 7 April in Brussels, the Werner Committee, taking as its basis forward studies drawn up by some of its members<sup>11</sup> and by the Commission, considered the main lines of an economic and monetary union that would be introduced by 1978, with a view to enlargement and particularly to the United Kingdom's participation (with its pound sterling) in the monetary cooperation mechanisms. To move the discussions forward, Pierre Werner suggested keeping a constantly updated summary of ideas raised in the group on questions of monetary and credit policy, budgetary and fiscal policy, the integration of the capital markets, and institutions.

On 30 April, Rome was the setting for the third meeting of the Werner Group, with two main points on the agenda. One main area for discussion was the question of the exchange stabilisation fund and the reserve fund, on which Pierre Werner was working closely with Baron Ansiaux.<sup>12</sup> The second was devising a ‘roadmap’ for the plan by stages, identifying the starting point, defining the final objective and determining the requisite and desirable steps — in terms of economic policy, monetary solidarity and institution-building — to be taken in order to get there. Alongside this summary there was a list of the specific planned measures — especially for the first stage, which was regarded as having started — in accordance with medium-term Community regulations and directives.<sup>13</sup>

Following the discussions in Rome, the Werner Committee adopted, as its report to the Council, a model including a description of the present situation, the final goal and the principles to be followed in carrying out the plan by stages, and decided to confine itself to a definition of the measures to be taken in the first stage of EMU. While the group was aware of the need for economic and monetary policies to be developed centrally (even if the decision-making power remained in the hands of the existing structures), the Werner Committee stated straight away that it was not in a position to make proposals regarding political structures.

The group decided to delegate the writing of a draft report to the deputies, under the chairmanship of Jacques Mertens de Wilmars from Belgium. On 11 May the first version of a plan by stages began to take shape. In their discussions, the deputies did not intend to take decisions on certain issues of principle, even though the text of their draft included proposals and solutions relating to those issues. The sensitive subjects included the transfer of responsibility from the national to the Community level, medium-term economic policy and monetary and credit policy. They concluded that the establishment of economic and monetary union should be embarked on in an evolving, gradual manner, building on the measures already adopted to enhance the coordination of economic policies and monetary cooperation.

The fourth and fifth meetings of the Werner Committee took place on 14 and 20 May in Luxembourg City. Following the decisive mediation of Pierre Werner, who succeeded in

smoothing out recurrent differences, the experts managed to put forward a summary view of the questions raised in the form of an [interim report](#) to the Governments.<sup>14</sup>

On 29 May 1970, the Finance Ministers of the Six met in Venice to debate the aims of economic and monetary union.<sup>15</sup> Pierre Werner gave a summary account of the interim report, identifying the points on which members disagreed and the questions which required further discussion. The clashes between economists and monetarists were lively but led to no agreement as to the priorities for economic and monetary union.<sup>16</sup> The final aims of EMU as identified in the interim report were considered to have been accepted. In this gradual process, there would be specific objectives for each stage, the first of which — lasting three years — would involve precise, stringent goals for the coordination of economic policies and for monetary policy. There were no longer any differences of opinion with regard to the need for a coordinated budgetary policy, quantitative objectives for a medium-term economic policy, coordination of short-term economic policies and consultation with both sides of industry (the ‘social partners’) to determine an income policy.

Meeting in Luxembourg on 8 and 9 June 1970, the Council of Finance Ministers approved the interim report and, on this basis, decided that the Werner Committee should continue its work with a view to reaching agreement on the issues in dispute and making further progress on the questions on which there was consensus.<sup>17</sup> The results of this reflection, together with the practical instruments for the first stage, were to be set out in a final report by September 1970.<sup>18</sup> The ministers recommended that the Committee of Governors of the Central Banks should provide a more detailed view on the harmonisation of monetary policy instruments between the Member States.

The group of experts proceeded further with the work on the basis of six priority issues set out by Pierre Werner.<sup>19</sup> These were institutional aspects, the setting up of effective instruments (obligations combined with sanctions) for the coordination of short-term economic policies, the strengthening of medium-term economic policy, the harmonisation of monetary policy instruments and budgetary and credit instruments, and exchange regulations (in close cooperation with the Committee of Governors of the Central Banks).

With the backing of the mandate given to him by the Council of Ministers, Pierre Werner convened the sixth meeting of the group, which was held in Luxembourg on 24 June 1970. The experts now had to focus on furthering their work on EMU. The old arguments broke out again, with the Germans and the Dutch believing that they should focus on economic policy coordination, while the French and Belgians considered the monetary side to be more important. The Italians reserved their position. In this debate, Pierre Werner, who personally sided with the monetarists,<sup>20</sup> abided by the chairman’s obligation to remain balanced and advocated the need for a ‘parallel approach’ between economic and monetary progress. To put the finishing touches to the interim report, of which a first draft had been requested for the end of August, the group’s working timetable made provision for the following four meetings: 7 July 1970 in Paris, 27 July and 11 September in Luxembourg and 25 September in Copenhagen, at the Annual Meeting of the Governors of the International Monetary Fund.

At its (seventh) meeting on 7 July, the Werner Committee discussed two main points. The first was fiscal harmonisation and stepping up the coordination of budgetary policy, as set out in a note drawn up by Gaetano Stammati. The second matter was the further coordination of economic policies, based on a document drafted by Walter Schöllhorn and Gerard Brouwers in cooperation with the secretariat of the Werner Group. This document also covered institutional

questions and pointed to the fundamental part which must be played by two future Community bodies: the Council of Ministers for Economic Affairs and the Committee of Governors of the Central Banks.

At the eighth meeting, held in Luxembourg on 27 July, the Werner Committee focused more on the institutional aspects (which had only been touched on in the previous meeting) and mainly dealt with the transfers of sovereignty from the national level to the Community level planned for the second stage of EMU. At this stage, two bodies seemed essential: a central economic policy body that could have a decisive influence on the deflationary and inflationary effects of national budgets and would govern the access of national authorities to the Community's capital market.<sup>21</sup> This central body would have a collegiate structure, would be totally independent from national governments and would be subject to democratic scrutiny by the European Parliament. A common central bank was also to be created and would be given responsibility, in the Community, for issuing banknotes, for credit policy, for managing official currency reserves and for maintaining the external value of the currency. The central bank was to be an autonomous, financially independent institution. Its relations with the central body for economic policy coordination were to be regulated in that the latter body could give it certain specific directives. Given that the implementation of such a system would require significant changes being made to the Community institutional structure, new treaty provisions would be needed.

At this stage, the Werner Committee considered that a preliminary draft of the final report could be written. 'This report, which will retain the structure of the interim report, will nevertheless leave open those points which are to be the subject of the report by the Committee of Governors of the Central Banks and of the note drawn up by Mr Ansiaux and Mr Clappier.'<sup>22</sup> The group secretariat was instructed to draw up the preliminary draft<sup>23</sup> and submit it at the next meeting, which was scheduled to be held in Luxembourg in mid-September. The Committee of Governors of the Central Banks was also to draw up a draft technical opinion that was to be submitted at the same time as the final report.

The ninth meeting of the Werner Group was held in Luxembourg in two parts on 10 and 11 September. The agenda focused on considering the main lines of the preliminary draft of the final report. Hubert Ansiaux and Bernard Clappier submitted their joint proposals to be included in the final report on domestic monetary policy (such as the desired development of the liquidity supply, the harmonisation of monetary policy instruments applying to banks and credit institutions, the regulatory instruments available to the central banks, etc.). It was agreed that the secretariat of the Werner Committee should draw up a new draft report incorporating the proposals and conclusions that had emerged during these debates.

The annual meeting of the IMF and the World Bank in Copenhagen provided the setting for the tenth meeting of the Werner Group, which was also held in two parts, on 23 and 24 September. Priority in the debates was given to the technical report from the Committee of Governors of the Central Banks (which was very cautious as regards political initiatives) and to defining the content of the final chapters of the final report. It appears that an extra session was held on 25 September with the aim of securing a consensus on a common position. During their time in Copenhagen, the members of the group and the Finance Ministers of the Six had the opportunity to discuss on an informal basis with their American colleagues and other international experts, and to sound out their views on the plan by stages. The Werner Group agreed to meet again in Luxembourg in early October to finalise and approve the final report.<sup>24</sup>

The date chosen for the eleventh meeting was 7 October, the day before the Council of Finance Ministers was to meet. The fact that there are no minutes or other documents reporting what happened at the meeting proves that the discussions were heated, as they had been at the fourth and fifth sittings. The focus of the arguments was clearly the establishment of an exchange stabilisation fund. The rigid attitude displayed by the Germans and the Dutch was not encouraging when it came to reaching a final agreement on a common position, and there was a real possibility that the differences would not be resolved. The debates were lively and Werner, supported by Ansiaux and Clappier, managed to turn things round. He finally succeeded in securing a compromise which was accepted unanimously.<sup>25</sup> After seven months of work, characterised by countless negotiations and reversals of situation, the final report was approved.

On 8 October 1970 in Luxembourg, Pierre Werner, in his capacity as chairman of the [group](#), officially presented the plan for the achievement by stages of economic and monetary union in the Community. The document bore the subheading '[Werner Report](#)'. One week later, it was submitted to the Council of Ministers and the Commission.

On 26 October 1970, the Council of Foreign Ministers met in Luxembourg to officially examine the report. Pierre Werner gave a [statement](#), concluding with a summary of the view of EMU that the group of experts had reached in their plan by stages. 'I am happy to note that on all these aspects we forged a unanimous collective view. Of course these joint replies do not reflect all the individual preferences of the members of the group. But we do think that having looked at the question from all sides, at long sessions where we compared a range of ideas, we have succeeded in giving shape to the wish for proceeding in parallel on the measures to be taken in the economic and financial fields. What we aspired to do was, once and for all, to break the vicious circle consisting of setting prior economic and political conditions. We have tried to draw a line midway between the view that monetary union is the crowning glory of European integration and the view that would turn it into the virtually all-powerful engine driving integration. I think the proposals are in line with the existing treaties and that they do, precisely, ensure that the objectives of the treaties will be achieved in full. Thus for stage one we can go a great deal of the way without amending the treaties. However, there must be a strong political will backing up this process all the time that it is being put into effect.'<sup>26</sup>

On 29 October the Commission submitted to the Council its own [proposals](#) inspired by the Werner Report (which was not binding) and two draft resolutions on the establishment by stages of economic and monetary union.<sup>27</sup> It is worth noting that the Commission's proposals were based on the interim report by the Werner Committee (approved on 29 May 1970), which had gone through the full Community vetting process. The conclusions of this interim report, which were relatively superficial or even different from those in the final report (given that the group's work was still under way), were certainly closer to a consensus view and less politically daring than those set forth in the final version.

A brief comparison of the Werner Report and the Commission's proposals shows that their respective views were similar on a large number of key issues, but the emphasis varied. For a start both documents offered exactly the same definition of the final objective, with an affirmation of the irreversible nature of economic and monetary union, which would require the political commitment of the Member States. The first stage would play a decisive role in this process to work towards a 'community of stability and growth'. Again the principle of parallelism between tighter coordination of both economic and monetary policy was carried over. The Werner Group emphasised monetary policy, including its social repercussions,<sup>28</sup>



whereas the Commission, convinced that less progress would be needed in the first stage, paid less attention to this field. The need to adapt the [Treaty of Rome](#) was clear, particularly in preparation for the second stage, as was the transfer of powers from the national to the Community level. Unlike the Werner Report, which put the emphasis on expanding the institutional fabric with new Community bodies, the Commission thought that such transfers were entirely possible within the framework of the existing institutions. It would simply be necessary to redistribute powers and re-organise the links between institutions, on the one hand, and between Community bodies and national authorities, on the other.

At its meeting on 8 and 9 February 1971, the Council of Ministers of the European Communities indicated its agreement on the establishment of EMU.<sup>29</sup> The Werner Group's task was completed. It was no longer convened and was not set up again subsequently.

After a period of deadlock, mainly owing to France's reaction to what it saw as the overly supranational nature of the plan by stages, on 22 March 1971 the Council officially adopted the programme for the establishment of economic and monetary union by stages, backed up by three specific decisions.

<sup>1</sup> Completion of the Common Market meant resolving the differences over the common agricultural policy. A compromise was found which allowed for the adoption of the financial regulations relating to agriculture, as requested by France, and an increase in the European Parliament's budgetary powers, which the other parties, especially Italy, wanted. The Six also agreed in principle to a financial regulation on the Community's own resources. Under the heading of Community deepening, two aspects stood out: economic and monetary cooperation, and political cooperation. The Member States agreed to the enlargement of the Community through the accession of four candidate countries: Denmark, the United Kingdom, Ireland and Norway.

<sup>2</sup> According to Raymond Barre: 'This decision by the Heads of State and Government [...] led to an agreement between Mr Pompidou and German Chancellor Mr Willy Brandt, and Mr Monnet — who I saw before the summit. He told me that he had personally intervened to make sure that the monetary question would be launched at the summit.' See *Interview with Raymond Barre*, by Marie-Thérèse Bitsch, Éric Bussière and Ghjiseppu 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 'Voix sur l'Europe: Histoire interne de la Commission européenne 1958–1973', ConsHistCom: 220 interviews with European political figures and senior officials from the Commission carried out by history professors (Jean Monnet chairholders).

<sup>3</sup> See Point 8 of the [final Communiqué from the conference](#): '[The Heads of State or Government and the Foreign Ministers of the Member States of the European Communities] reaffirmed their readiness to further the more rapid progress of the later development needed to strengthen the Community and promote its development into an economic union. They are of the opinion that the integration process should result in a Community of stability and growth. To this end they agreed that within the Council, on the basis of the Memorandum presented by the Commission on 12 February 1969 and in close collaboration with the latter, a plan in stages should be worked out during 1970 with a view to the creation of an economic and monetary union. The development of monetary co-operation should depend on the harmonisation of economic policies. They agreed to arrange for the investigation of the possibility of setting up a European reserve fund in which a joint economic and monetary policy would have to result.' In *Bulletin of the European Communities*, No 1/1970, pp. 12–17.

<sup>4</sup> Our research in various archives has turned up three different versions of how Pierre Werner was chosen to chair the group of experts. They are explained in detail in the research corpus '[A rereading of the Werner Report of 8 October 1970 in the light of the Pierre Werner family archives](#)'.

<sup>5</sup> France disagreed with its five partners and the European Commission over the gradual shift from the principle of unanimity to qualified majority voting, provided for by the Treaty of Rome from 1966 onwards. To demonstrate its opposition, the French Government adopted an 'empty chair' policy and refused to take its seat in the Council of Ministers from 1 July 1965 to 29 January 1966. In January 1966, Luxembourg took over the Presidency of the EEC Council of Ministers and Pierre Werner chaired the meetings in Luxembourg as President-in-Office of the Council. 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 to the working out of an agreement which freed the Community from deadlock. This was the 'Luxembourg Compromise', or 'Luxembourg reconciliation'.

<sup>6</sup> Pierre Werner gave his colleagues a preliminary comparative overview of the discussions on monetary integration and the proposals put forward by the Belgian Government ([the Snoy Plan](#)), the German Government ([the Schiller Plan](#)), the Luxembourg Government ([the first Werner Plan](#), also known as the five-point Luxembourg Plan) and the Commission ([the second Barre Plan](#)). He suggested that the ideas and proposals should be approached from a comparative perspective, identifying from the outset the points on which there was consensus and the agreements that needed to be secured. 'We need to consolidate the areas we agree on and negotiate on those areas where we differ so that we can smooth out our differences.' He set out what he believed to be the priorities for the work, namely putting forward practical ideas and methods to achieve the short-, medium- and long-term objectives. See Pierre Werner family archives, ref. PW 048, case entitled 'Intégration monétaire de l'Europe. Le Plan Werner: 1970 [Monetary integration of Europe. The Werner Plan: 1970].

<sup>7</sup> It was established that the group would have a quorum for discussion if at least five of the seven members (the group's secretary did not have voting rights) were present and that decisions would be taken by simple majority. The group would do its best to present unanimous conclusions, but any member could ask for a minority opinion to be put forward. The group's discussions were considered to be confidential and would only be minuted briefly.

<sup>8</sup> Each member of the Werner Group chose deputies to help them during the work. These deputies were: Jacques Mertens de Wilmars (from Belgium, assistant to Baron Ansiaux, Chairman of the Committee of Governors of the Central Banks), Anthony Looijen (from the Netherlands, assistant to Gerard Brouwers, Chairman of the Conjunctural Policy Committee), Jean-Michel Bloch-Lainé (from France, assistant to Bernard Clappier, Chairman of the Monetary Committee), Hans Tietmeyer (from Germany, assistant to Johann Baptist Schöllhorn, Chairman of the Medium-Term Economic Policy Committee), Simone Palumbo (from Italy, assistant to Gaetano Stammati, Chairman of the Budgetary



Policy Committee), Johnny Schmitz (from Luxembourg, assistant to Mr Werner, the chairman) and Jean-Claude Morel (assistant to Ugo Mosca, Director-General for Economic and Financial Affairs at the EEC).

<sup>9</sup> On the question of monetary solidarity there were two opposing views. The ‘economists’ — the hard-currency countries (Germany and the Netherlands) — believed that the priority had to be given to economic policy, the coordination of which should make it possible to strengthen the weaker economies, resulting eventually in less recourse being had to monetary solidarity. They also supported broader powers for the Community institutions. The ‘monetarists’ — the countries with weak currencies (France and Belgium) — regarded monetary solidarity as fundamental. Monetary integration must entail economic integration, and convergence of the economies was no longer a preliminary to, but a consequence of, monetary union. To their way of thinking, too, setting a timetable for monetary integration would be bound to have a positive effect on the economic players involved in it.

<sup>10</sup> ‘From the outset, the German representative J. B. Schöllhorn, Chairman of the Medium-Term Economic Policy Committee, assisted by H. Tietmeyer, supported the position of the German Minister for Economic Affairs, Schiller, that prior convergence of economic policies was imperative. The Chairman of the Committee of Governors of the Central Banks, Baron Ansiaux (from the National Bank of Belgium), advocated the monetarist stance with a fervour that surprised me at the time. B. Clappier, Chairman of the Monetary Committee, assisted by J. M. Bloch-Lainé, supported Ansiaux’s position, as did G. Stamatii, Chairman of the Budgetary Policy Committee. Brouwers, Chairman of the Conjunctural Policy Committee, was closer to Schöllhorn.’ Werner, Pierre, *Itinéraires*, Vol. II, p. 126.

<sup>11</sup> At this meeting, Gerard Brouwers presented ‘[La méthode de réalisation d’une union économique et monétaire, vue dans l’optique de la politique conjoncturelle](#)’ [‘The method for the achievement of an economic and monetary union from the perspective of conjunctural policy’], 6.477/II/70-F, Brussels, 3 April 1970 (in the Pierre Werner family archives, ref. 048), and Johann Baptist Schöllhorn presented ‘[Wirtschaftsunion als Grundlage der Währungsunion](#)’ [‘Economic union as a basis for monetary union’], Bonn, 2 April 1970 (in the Pierre Werner family archives, ref. 048).

<sup>12</sup> The [Luxembourg monetary plan](#) submitted on 24 February 1970 (based on the arguments Pierre Werner had developed since 1962) allowed for mutual assistance to be incorporated, from stage one, into the international monetary relations system by partly assigning to it special drawing rights (SDRs) from the various Member States and managing them on a common basis. Werner believed that this would be the first step towards the establishment of a reserve fund and this would give practical support for the medium-term monetary assistance which would shortly be decided upon. Baron Ansiaux was gradually won over to the Luxembourg view and, from the beginning of the Werner Committee’s work, came forward as the standard-bearer of an exchange stabilisation fund.

<sup>13</sup> [Working document](#) (for members’ eyes only). Secretariat of the ‘plan by stages’ group, Brussels, 21 April 1970. Historical Archives of the European Commission, BAC 375/1999 578, Vol. 2, pp. 0168–0180.

<sup>14</sup> ‘Interim report on the establishment by stages of economic and monetary union’ (published in Bulletin 7/1970, Supplement, Official Journal of the European Communities, No C94 of 23 July 1970).

<sup>15</sup> The agenda for the Council of Ministers included multi-year projections for the Community budgets, the use of budgetary policy as an instrument for short-term economic policy and the need for a push towards fiscal harmonisation. A special section was devoted to the issues arising from the question of monetary integration in the Community and international monetary aspects. The Vice-President of the Commission, the Governors of the Central Banks, the members of the Monetary Committee and the chairman of the Group of Ten were also invited to attend.

<sup>16</sup> See [Draft minutes of the 35th conference of the Finance Ministers of the Commission of the European Communities, held in Venice on 29 and 30 May 1970](#), confidential. Commission of the European Communities, Directorate-General for Economic and Financial Affairs, ref. ORII/57/70-F, Brussels, 5 June 1970. Historical Archives of the European Commission. Matters of disagreement included the transfer of powers in the area of monetary policy from the national to the Community level, the future institutional set-up of the Community, six national currencies vs a common or single currency, a central bank policy on intervention in the exchange markets and the establishment of an exchange stabilisation fund from the first stage.

<sup>17</sup> This decision was enshrined at the meeting of the [Council of Finance Ministers in Luxembourg on 8 and 9 June](#).

<sup>18</sup> Communiqué drawn up by the Belgian Presidency at the end of the meeting of the Council of Ministers, Luxembourg, 8–9 June 1970. In the Pierre Werner family archives, ref. PW 048.

<sup>19</sup> [Handwritten notes by Pierre Werner for his speech at the EEC Council of Ministers, Luxembourg, 8–9 June 1970](#). In the Pierre Werner family archives, ref. PW 047. The Venice meeting on 29 May led to further informal discussions between the members of the Werner Group, the Finance Ministers and the Vice-President of the Commission, Raymond Barre. Werner’s private papers contain a discussion paper entitled ‘Travaux supplémentaires du groupe ad hoc “plan par

étapes” à la suite de la conférence des ministres des Finances de Venise’ [‘Further work of the ad hoc “plan by stages” group following the Venice conference of Finance Ministers’]. Handwritten comments by Pierre Werner refer to proposals on the main lines of action for the ad hoc group (on which there was general agreement) and say which members had been chosen to address them. For the Luxembourg Council on 8–9 June, the proposals were expanded and practical measures were added, and they appeared some time later in the route map for further discussions in the Werner Group. It is also worth noting that in preparation for the Venice meeting, Pierre Werner had several conversations with Jean Monnet, particularly about the monetary individualisation of the European Community, the establishment of an exchange stabilisation fund (a question he also discussed in depth with Robert Triffin) and the political influences that needed to be harnessed (particularly among Willy Brandt and the Germans, as well as the Dutch) to secure a consensus on the Werner Report. On this last question, Werner worked closely with Baron Hubert Ansiaux and Bernard Clappier.

<sup>20</sup> See section 1.1, ‘The basis of his thinking on European monetary issues’.

<sup>21</sup> See [Note by Gerard Brouwers, ‘Phase finale de l’union monétaire: transfert nécessaire de compétences nationales aux institutions communautaires’](#) [‘Final stage of monetary union: the necessary transfer of national powers and responsibilities to the Community institutions’]. European Communities, secretariat of the ‘plan by stages’ group, Brussels, 13351/II/70, 22 July 1970. In the Pierre Werner family archives, ref. PW 048.

<sup>22</sup> See Draft minutes of the eighth meeting of the ad hoc ‘plan by stages’ group, 27 July 1970. European Communities, secretariat of the ‘plan by stages’ group, Brussels, 14 August 1970, OR II/74-70-F. In the Pierre Werner family archives, ref. PW 048.

<sup>23</sup> On the day after the eighth meeting of the Werner Group, the group secretariat, urged on by G. Morelli, drew up a provisional version of the preliminary draft report. ‘Preliminary draft report to the Council and the Commission on the establishment by stages of economic and monetary union in the Community’, European Communities, secretariat of the ‘plan by stages’ group, Brussels, 28 July 1970, OI II/72/70-F. In the Pierre Werner family archives, ref. PW 048. This version was reworked in a select committee of some of the deputies of the Werner Committee, namely U. Mosca, H. Tietmeyer, A. Looijen and J.-M. Bloch-Lainé.

<sup>24</sup> As soon as the meeting on 11 September had finished, the group secretariat set to work updating the draft report, incorporating the structure and conclusions that had been decided on. The first draft was dated 14 September and the second 18 September 1970, but these documents were subsequently changed, initially following contributions by H. Tietmeyer, A. Looijen and J.-M. Bloch-Lainé, who were also involved in drawing up the draft interim report and who met again on 17 September 1970 in a select committee. On 29 September, the entire group of deputies met in Brussels, chaired by J. Mertens de Wilmars. As the drafting process continued, Werner received successive working versions of the draft final report, with suggestions and comments that the group secretariat gradually incorporated.

<sup>25</sup> ‘[...] Schöllhorn insisted that we propose the establishment of a stabilisation fund during the second stage, which itself was to be preceded by a thorough examination. At the risk of compromising unanimity, I was obliged to harden my attitude. I was convinced that a plan that provided for no monetary innovation for the first three years, that was solely devoted to promoting procedures for the harmonisation of economic and budgetary policies with no accompanying monetary stimulus, was likely to get bogged down in endless Community discussions. [...] Moreover, the proposals put forward by Raymond Barre required a new financial mechanism. The plan, which the group’s members were proposing should bear my name, could not disregard my previous initiatives in this area. I therefore firmly requested that the establishment of the fund be considered for the first stage. My view was supported by Ansiaux and Clappier. Yet opposition to the idea remained strong.’ See Werner, Pierre, *Itinéraires*, Vol. II, p. 130.

<sup>26</sup> Statement by Pierre Werner to the Council of Ministers, Luxembourg, 26 October 1970. In *Bulletin de documentation*, Directorate for Publications, Press and Information Service, Ministry of State, 26 October 1970, No 6, 26th year, Luxembourg.

<sup>27</sup> ‘Communication et propositions de la Commission au Conseil relatives à l’institution par étapes d’une union économique et monétaire de la Communauté’ [‘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, p. 1.

<sup>28</sup> ‘The trend of incomes in the various member countries will be studied and discussed at the Community level with the participation of the social partners.’ See [‘Report to the Council and the Commission on the realisation by stages of economic and monetary union in the Community \(Werner Report\)’](#), Luxembourg, 8 October 1970, Supplement to Bulletin 11/1970, p. 12.

<sup>29</sup> Communication to the press. Council of the European Communities, General Secretary, DG II Economic and Monetary Affairs, ref. 304/71, Brussels, 9 February 1971, pp. 0255–0271. In the Pierre Werner family archives.