

Reactions in the Council

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A week after it was officially presented, the Werner Report was sent to the Commission, which took cognisance of it on 16 October 1970. A day before it was released in Brussels, Pierre Werner sent the paper to the other Finance Ministers of the Member States, as a gesture of political courtesy. ² The plan by stages still had pride of place in political discussions at the time and Werner, as chairman of the ad hoc committee, tirelessly defended the outcome of its work. ³ He raised it, for example, on 15 October with the President of the Commission, Franco Maria Malfatti, ⁴ who was on a working visit to Luxembourg, and expounded it in Paris 24 hours later at a dinner-debate to which the Cercle de l'Opinion ⁵ had invited him as guest of honour. To an audience of politicians and journalists, Pierre Werner set out the approach adopted in the report, highlighting the fact that the committee of experts had opted for 'a middle way which was already indicated by the concept of moving forward by stages, gradually, and was confirmed by the parallel approach to economic development and monetary cooperation, with which political cooperation would align itself at a more advanced stage'. ⁶ In his view, 'the merit of the report, [it seems to me], is that it has broken the vicious circle of laying down political and economic preconditions and shows that there is a cautious, gradual way of evolving towards a state of affairs which will enormously ease the task of achieving, in full, the aims of the existing treaties. As regards putting together an economic system like the common market, we cannot in the long run afford to lose sight of the crucial part played by currency and credit. It would be a mistake not to draw the proper lessons, from the financial point of view, from a form of economic integration which is what now makes our national economies strong and will certainly show its face in international financial relations as well.' ⁷ Robert Marjolin and Raymond Barre, both Members of the Commission (the first from 1958 to 1967; the second from 1967 to 1973), also attended this event. Commission Vice-President Barre gave a speech but was very circumspect in his remarks on the pretext that the Commission had to let the Council of Ministers give its views on the report first. He said he hoped that 'although it will be a good thing if we have a stage-by-stage plan at the end of the year setting out the broad outlines of progress towards economic and monetary union, the credibility of the exercise within the Community and outside of it will depend on the practical decisions taken in the next few months. They must demonstrate the determination of our governments to gradually put together a multinational grouping which is effectively organised at the economic, monetary and financial levels and very much takes its own line towards the outside world. It is possible to achieve such an outcome within the present decade, provided we take heed of the prevailing economic, political and psychological conditions in the Community.' ⁸

Under the timetable laid down by the Heads of State or Government, the Council had to take a decision by the end of 1970 ⁹ on whether to put the first stage of economic and monetary union, which was supposed to start on 1 January 1971, into effect. With a view to this, on 29 October 1970 the Commission submitted its own proposals, based on the Werner Report, to the Council, together with two draft resolutions. ¹⁰ The reactions were many and varied, starting with the positions adopted by the national governments on the various objectives, the ways of proceeding and the staging posts set out in the Werner Report. ¹¹ Then came reactions, both from governments and from the various specialised committees, relating to the marked differences between the consensus-based plan hammered out by the ad hoc committee and the proposals from the Commission. ¹² The European Parliament made its views known through its specialised committees, at political group meetings ¹³ and in plenary sessions.

On 26 and 27 October, the Council met in a joint Ecofin-Foreign Affairs configuration because of the combined economic and political dimension of the subject.¹⁴ The Foreign Affairs Council started by looking at the plan by stages,¹⁵ then the Finance Ministers tried to focus more on the document in the context of an informal meeting¹⁶ scheduled for 9 November 1970. Werner prepared for this meeting carefully and cautiously, with a special eye to the French Government's reactions. '[...] [The meeting], which my colleagues Snoy, Schiller and Möller had been especially keen to have, was first postponed and then cancelled when Giscard d'Estaing, who had been very helpful to me in my work, informed me that he could not be present in person. Meanwhile the Commission had decided to examine the question. It was considered that from then on the follow-up to the reports would come in the form of official reports between the Commission and the Council.'¹⁷

On 13 November, the French Government confirmed that it still subscribed to the aspirations expressed in the final communiqué from the Hague Summit with regard to economic and monetary union, but refused to set specific deadlines or address the basic institutional problems of the Community. That set the tone for the political negotiations. The Council meeting on 23 November 1970¹⁸ set 14 December as the date for the next (and very probably last) meeting of the year. With that in view, it instructed the Permanent Representatives' Committee (Coreper),¹⁹ taking the Commission's proposals as the basis for its work,²⁰ to draw up the texts of the draft decisions of the Council on economic and monetary union.²¹ So Coreper met on 2 and 10 December, with support from the technical working party on economic and financial questions, to analyse the principles underlying the Council resolutions proposed by the Commission in its memorandum of 29 October²² and matters of detail. The outcome was that a fresh draft resolution needed to be drawn up, together with two proposals for decisions (on the lines of the Commission's proposals).

After several arbitration sessions, all of which the French delegation attended (so as to oppose the others), the permanent representatives succeeded in bringing views together on a great many issues.²³ While the Commission's proposals were unanimously accepted as a working basis, the delegations agreed to tighten them up in certain areas by incorporating specific features from the Werner Report. The definition of the first three-year stage had to be clear and precise, and based on the principle that economic and monetary union was irreversible. Five of the delegations stated categorically that stage one was not an objective in itself and, since it could not be dissociated from the full process of economic and monetary integration, the future development of economic and monetary union must be defined from the outset in a binding and irreversible manner. The French delegation fought to have the objectives defined only in broad outline and thought it was too early at that stage to set a precise date for the final result. On the question of the date, the French and German positions were in line with each other, though paradoxically for opposite reasons. The French looked to there being as few constraints as possible, whereas the Germans advocated a strict approach with flexibility where necessary.²⁴ The idea of the Council's drawing up a calendar for the stages of economic and monetary union came up. Two approaches were put forward in opposition to this suggestion. Five of the partners were in agreement that economic and monetary union should be set up by stages over a ten-year period, with stage one beginning on 1 January 1971. The French delegation preferred a wording stating that EMU would be established by 1 January 1980. There was also discussion over the procedure for the transition from stage one to the next stage. Five of the delegations (France not included) considered, as did the Commission, that an assessment of what had been achieved should be carried out before the end of stage one, and, on that basis, the most appropriate measures for the gradual, full achievement of economic and monetary union should be adopted.²⁵ The idea that monetary

union and economic union should progress in parallel was supported by all the delegations, and Italy insisted that the expression ‘guaranteed parallel development’²⁶ should appear in the draft.

All the delegations agreed that managing economic and monetary union would inevitably involve a transfer of decision-making powers from national to Community bodies. They all understood that it was not a question of ‘an indeterminate decision-making centre but a decision-making centre at the Community level’. Five delegations thought it was actually essential, while the French delegation confined itself to not ruling it out. The French announced, however, that they could not approve any move whatsoever to decide the shape of the future institutional mechanisms because no details had yet been established on how powers over economic and monetary matters should be divided between the Community and national levels. The other delegations did not argue against that approach, but were, nevertheless, more open to the principle of defining, straight away, a number of decisions and processes to be transferred to the Community level at the final stage. The six partners agreed to specify ‘the powers which should in any event be vested in the Community at the final stage of economic and monetary union and to emphasise the need for the Community institutions to develop correspondingly during the various stages.’²⁷

Five delegations agreed that there would have to be a later revision of the treaty. They also felt that a revision of the treaty²⁸ and the calling of an intergovernmental conference would be appropriate at the end of stage one. The French were fiercely opposed to such an option, even if it might prove essential to amend the treaty in the future, and called expressly ‘for this issue to be removed from the discussion.’²⁹

A further divide opened up between France and its five other partners: the latter considered that the European Parliament should be given broader powers so as to strengthen that institution’s position as the organ of democratic control. So they raised the question of transferring powers from the national parliaments to the European Parliament and of having the European Parliament elected by direct universal suffrage. The French, once again, came out against the idea, fearing that such a transfer of powers would lead to an imbalance in the Communities.³⁰

The German delegation emphasised the leading role to be played by banks in the building of economic and monetary union. It felt that the best source of inspiration for this new organisation was the Federal Reserve Board, a structure which, like the Bundesbank, had the necessary autonomy and had to pursue the same aims as the Community bodies with regard to economic and monetary union.

The fact that the draft resolution proposed by the Commission put too much stress on fiscal harmonisation was not to the French taste. The Germans were also unhappy, but on the grounds that the proposals were too lax;³¹ they insisted that the wording of the Werner Plan should be followed to the letter.

Two noteworthy comments came up as regards sectoral policy. The first was by the Italian delegation, which, in order to eliminate structural and regional disparities, pressed for concerted action on sectoral policies of the Member States with knock-on effects on the Community’s economic policy. The second was from the German delegation, which called for a reference to the need ‘for a convergence of sectoral policies’ to be added to the draft resolution.

On 14 and 15 December, the Foreign Ministers and the Ministers for Economic Affairs and Finance of the Six, assisted, in particular, by the chairmen of the specialised committees responsible for economic and monetary policy, met in the Council, with German Foreign Minister Walter Scheel³² in the chair on the first day and the Federal Minister for Economic Affairs, Karl Schiller, the next. It was Germany which held the Presidency of the Council in the second half of 1970. According to the conclusions it released on 23 November 1970, the Council's wish for the session of 14 and 15 December was to reach the political agreement needed for the decisions implementing stage one of economic and monetary union. As the discussions progressed, the contradictions stood out in ever sharper relief.³³ The debates went on late into the night and gradually focused on the nature and powers of the decision-making bodies at an advanced or final stage. France rejected any idea of a supranational institutional structure. The Netherlands tried to establish a link with the negotiations on UK accession.³⁴ Germany then expressed certain reservations on the grounds that the financing clauses were drawn up before there had been any tangible achievements in relation to policy coordination. In the last part of the meeting, which lasted more than 12 hours, it became quite clear that no political agreement could be reached. To save the day, a select high-level group chaired by Karl Schiller (and including the Vice-President of the Commission, Raymond Barre) was mandated to draft, in the light of what had been said, the chapter on one of the most sensitive issues put before the ministers, the transfer of powers from the Member States to the Community.³⁵ Faced with the prospect of unavoidable deadlock that would continue beyond the end of the year, the meeting came up with a proposal to stop the clock symbolically at midnight on 31 December as a way of demonstrating the Council's determination to make headway. Germany was asked to carry on chairing the negotiations beyond 31 December, but Foreign Minister Scheel rejected that possibility. He said that it was technically impossible to extend the German Presidency,³⁶ but in practice it looked as though no one wanted to meet again before the end of the year.³⁷ On 1 January 1971, France took the reins of the six-month Presidency of the Council: in that capacity, it was up to it to set the agenda for the ensuing Council meetings, in line with its priorities. Economic and monetary union, however, was not one of Paris's pressing concerns. The attitude of the German ministers raised a great many questions, particularly since the sudden caution they were displaying was in contrast to their early personal commitment to the plan by stages. The German Presidency's intention in making this highly political gesture was to show that it was now up to those who had brought the negotiations to a standstill to shoulder their responsibilities. Speaking to the press, Karl Schiller said that the great majority of the Member States wanted to see the rapid adoption of the plan by stages, to bring them into line with the decisions of the Hague Summit, 'but others take a different view, start from different criteria and put forward prior conditions. [...] The spirit of The Hague has not always been abided by.'³⁸ Finalising the discussions on economic and monetary union had to wait, and Coreper was instructed to carry on with its work.

At the Council sitting on 14 and 15 December, Pierre Werner deliberately kept his interventions to a minimum. Even so, the Werner Report, particularly in its final version of 8 October 1970, triggered a great deal of discussion. Since the Commission's proposals and hence the whole set of documents on which the Council was to decide were based on the interim report, what was to be done with the final report? It is true that the interim plan by stages of 9 June 1970 set out the broad principles of economic and monetary union, but the final report went much further, not just defining the content of stage one of the process, but also, and in particular, setting out the main points of an economic and monetary union which was supposed to take shape within a decade. The building of institutions and the transfer of responsibilities from the Member States to the Community, which had not been mentioned in the interim report, were among the essential requirements set out in the final report, but at the

same time they were proving to be sensitive points for some of the partners, especially France. Faced with pressing calls from the delegations for the final version of the Werner Report to be taken into consideration, the Council worked out a form of words which took a long time to negotiate, which said 'having regard to the suggestions made by the group and sharing the views expressed in the final Werner Report concerning the features essential to the existence of an economic and monetary union and the economic policy consequences which such a union will entail ...'.³⁹ Pressed to give his view, Pierre Werner confided to the press that he was disappointed at this semi-failure. The Council had not honoured its commitment to take the necessary decisions before the end of the year, although the Werner Committee had done all it could to submit its ideas in as much detail as possible within the time allowed.

Pierre Werner decided to act once again to break the deadlock. On 29 December, as Prime Minister of the Grand Duchy of Luxembourg, he wrote to the five Heads of Government to express his concerns with regard to the launching of economic and monetary union and say he trusted that a rapid and unanimously acceptable solution could be found. Chancellor Willy Brandt gave his answer to Werner four weeks later in a long letter⁴⁰ focusing on the prospects for the plan by stages as laid down following the French-German summit at the end of January 1971.⁴¹ Describing the Werner Report as a 'fundamental strategy document', Chancellor Brandt reaffirmed the political will the Germans and the French had restated at the end of that 15th bilateral summit, at the same time reviewing the differences between the two partners⁴² and their inability to work out a shared position. He said he was confident, however, that there would be a positive outcome to the discussions.

At the meeting of the Council of Ministers on 20 January 1971, there were signs of a closing of the gap, with the ground prepared by the Finance Ministers' meeting held in Arnhem, the Netherlands, a few days before. The permanent representatives went on with their work towards establishing a shared position and thereby reaching agreement on the texts of the resolution to be adopted by the Council. Coreper met on 22 and 27 January and discussed questions relating to the establishing of economic and monetary union by stages. It also met on 4 February 1971⁴³ at a session largely devoted to the draft decision on collaboration between the central banks.⁴⁴ The basis for the negotiations was a paper tabled by the Belgian delegation⁴⁵ — which had summarised the previous points of agreement — proposing the adoption of a decision (*Beschluss*), not a resolution. The Germans, Italians and Luxembourgers backed this proposal for a compromise. In fact it was largely thanks to concerted action by them, with the Commission joining them, that the final versions of the texts took shape. The Dutch, having started out with reservations (because they wanted to set out their position in more specific terms), also joined them. Once a number of amendments had been made, the French delegation also gave its agreement. The main sticking points were over the definition of the criteria for the transition from stage one to the next (successive) stages, the duration of the transitional period and the distribution of powers in the Community and parliamentary control. The decisions which related to fiscal questions (and there were some fierce discussions about these) were put forward by the Luxembourgers, who, together with the Belgians, came up with the wording on assessing, by 1 May 1973, the progress made towards setting up economic and monetary union and the need for a timetable for this.

At the permanent representatives' meeting on 4 February, two specific proposals for decisions took shape on the basis of the Commission memorandum of October 1970. The first was to do with strengthening the coordination of short-term economic policies. The second aimed for further cooperation between the central banks. This plan — for which consultation of the Committee of Governors of the Central Banks proved decisive⁴⁶ — was drawn up to safeguard the political responsibilities borne by Member State governments and, at the same

time, the independence enjoyed by some central banks. The German delegation was particularly insistent that the independence of the central banks should be guaranteed, and carried its point. Five delegations agreed to the full text, but not the Dutch delegation, which contested the relevance of the document.

The Council of Ministers of the European Communities held its 141st session on 8 and 9 February 1971, with Maurice Schumann, Foreign Minister of the French Republic, in the chair. At the close of the proceedings, a final communiqué and a joint press conference by the French Foreign Minister and the President of the Commission, Franco Maria Malfatti, were an opportunity for the making of a long-awaited announcement. ‘The Council has today agreed on a resolution concerning the establishment by stages of economic and monetary union in the Community. [...] The Council has also agreed on two decisions ⁴⁷ concerning, firstly, the strengthening of cooperation between the central banks of the Member States and, secondly, enhanced coordination of the Member States’ short-term economic policies.’ ⁴⁸

Looking back on this meeting of the Council in his memoirs, Pierre Werner remembered that ‘we were able to reach an agreement by turning the negative safeguard clause into a positive clause, giving the currency mechanisms a duration of five years and guaranteeing that they would be extended if the rest were agreed on. [...] Essentially the basis for the launching of the union was the proposals in the report, which it was not particularly easy to set up. For me at the time, what was vital was the measures to be taken to assert the specific monetary character of the Community in a monetary environment which was becoming increasingly turbulent. [...] The working party’s task was completed. It was no longer convened and was not set up again later. For me personally it was the start of a new era in which I was constantly in demand to explain and propagate the idea of monetary union.’ ⁴⁹

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. The first related to strengthening the coordination of short-term economic policies, including, among other things, three annual reviews of the situation in the Member States. The second related to stepping up cooperation between the central banks, on the basis of coordinating policies on currency and credit. The third dealt with the setting up of medium-term financial assistance. It was stipulated that the measures should be taken in parallel. The central banks had, in fact, been urged, on an experimental, unofficial basis, to narrow the margins for exchange-rate fluctuation from June onwards.

¹ The treatment of this topic, in particular the task of relating this study to the various sources, has made it necessary to discuss the reactions to the Werner Report from the Council and from the Member States separately.

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

² Werner, Pierre, *Itinéraires luxembourgeois et européens. Évolutions et souvenirs: 1945–1985*, 2 volumes, Éditions Saint-Paul Luxembourg, 1992, Volume 2, p. 131

³ See chapter 2, ‘The establishment of the Werner Committee and an account of its work (March–October 1970)’.

⁴ An Italian politician and journalist and member of the Christian Democrat Party, Franco Maria Malfatti (13 June 1927–10 December 1991) served several terms as a member of parliament and minister of the Italian Republic. From June 1970 to March 1972, he was President of the Commission of the European Communities. He resigned in 1972 to stand in the general election in Italy that year.

⁵ A foundation and club for political discussion set up by the French intellectual Gabriel du Chastain (1934–1981) in 1955. The Cercle de l’Opinion was firmly committed to the building of a united Europe and, in October 1970, held a series of debates under the title ‘A month for Europe’, to which a large number of prominent figures were invited. The subjects on offer included ‘A monetary Europe’, ‘A political Europe’, ‘The finances of Europe’ and ‘Europe and world trade’. In November 1970 Gabriel du Chastain made a compilation of all the speakers’ contributions and issued them in a special publication under the heading *L’Opinion en 24 heures*, for which he sought the support of Baron Ansiaux and the Committee of Governors of the Central Banks.

⁶ [Statement by Pierre Werner to the ‘Cercle de l’Opinion’ \(Paris, 16 October 1970\)](#). Documentation bulletin, Luxembourg, Publications Directorate, Information and Press Service, Ministry of State, 26 October 1970, No 6, 26th year, p. 3. (Document consulted on 10 October 2012.)

⁷ *Ibid.*, p.4

⁸ [Address by Raymond Barre to the ‘Cercle de l’Opinion’ \(Paris, 16 October 1970\)](#), at the dinner-debate on ‘A monetary Europe’, p. 3. In the 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]. (Document consulted on 10 October 2012.)

⁹ The deadline for the taking of this decision was fixed at 31 December 1970. The Hague Summit had called for the plan by stages to be drafted ‘in the course of 1970’. The decision to launch stage one of economic and monetary union as soon as possible was recommended by the Commission in the second Barre Plan (COM(70) 300) and approved by the Ecofin Council of 8 and 9 June. In its conclusions, the Council said that ‘the starting point of the process to be embarked upon is to be found in the completion of the measures advocated in the memorandum from the Commission to the Council of 12 February 1969. That implies that the Council will decide between now and the end of 1970 [...]’. See Bulletin EC, August 1970, 8-1970, p. 83.

¹⁰ [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. (Document consulted on 10 October 2012.)

¹¹ See section 4.4., ‘Political reactions in the Member States of the European Communities’.

¹² As regards government opinions, these were the positions of the German and Dutch Governments respectively. As for the advisory committees of the Council, it was primarily the Committee of Governors of the Central Banks, which was surprised to find that the proposals the Commission put before the Council no longer included either the priorities stated in its specialist opinion (an integral part of the Werner Report) or the associated timetable for implementation. This conclusion can be seen in the minutes of the 44th and 45th meetings of the Committee of Governors of the Central Banks of the EEC, held in Basel on 8 November 1970 and 12 December 1970 respectively. Note, too, that on 17 October the EEC’s Medium-Term Economic Policy Committee, meeting in Brussels under the chairmanship of Walter Schöllhorn, adopted the preliminary draft of the third EEC medium-term economic policy programme, for 1971–1975, the broad outlines of which had been put forward by the Commission in December 1969. This programme — the adoption of which was one of the items in the list of measures to be taken during stage one of the process towards economic and monetary union mentioned in the second Barre Plan submitted on 4 March 1970 — was closely tied to the Werner Plan, it being accepted that the plan by stages had to be based on overall quantitative guidelines applicable to the whole of the Community and relating to the main factors for economic development.

¹³ According to the papers in the Pierre Werner family archives, a week before the first plenary session of the European Parliament on the Werner Report, which was scheduled for 18 November 1970, Pierre Werner was the guest at a lecture-cum-discussion (lasting several hours) with the leaders of the Christian-Democrat groups in Parliament. What concerned MEPs most was the building of the institutional structure for economic and monetary union.

¹⁴ In line with the distribution of powers between the Ecofin and Foreign Affairs configurations in the Council (Article 145 of the EEC Treaty), this Council meeting opened with German Finance Minister Alexander Möller in the chair, with the chairmanship then being passed to Foreign Minister Walter Scheel.

¹⁵ On 26 October 1970, the Council of Foreign Ministers met in Luxembourg to take official cognisance of the Werner Report. As Prime Minister of Luxembourg, Pierre Werner welcomed the Foreign Ministers of the Six and led the proceedings, taking the floor himself to deliver an explanatory summary of the substance of the matter in his capacity as chairman of the ad hoc committee. In the press release issued after the meeting, we read: ‘[...] the Council expresses its sincere thanks to Mr Werner, and to those who took part in or contributed to the work of the group he chaired, for the quality of the report that was able to be drawn up and submitted in a short space of time thanks to the efforts of this group.’ (See [Communication to the press](#), Luxembourg 27 October 1970, 1946/70 ‘AG 327’. European Communities,

General Secretariat. In the Pierre Werner family archives. (Document consulted on 10 October 2012.) In his memoirs Werner remembers that ‘the President of the Council, Minister Scheel, congratulated me and warmly thanked me, as did Finance Ministers Snoy and Möller (FRG) and Colombo’s State Secretary Pedini. The French Minister, Maurice Schumann, was more reserved in his remarks. The Dutch representative gave his support, but complained that, with the agreement of my colleagues, I had convened an informal meeting of the Finance Ministers for 9 November. [...] Maurice Schumann took me aside and briefed me on the various reactions within the French Government.’ See also: Cable from the Italian Permanent Representation to the EEC to the Italian Foreign Ministry on the presentation of the Werner Report at the EC Council of Ministers meeting and on various viewpoints adopted (Brussels, 27 October 1970). Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 45319/27.10.1970, Vol. 34/1970 (Telegramma ordinario. In arrivo. Economia/Politica/Stampa.).

¹⁶ After taking official cognisance of the Werner Report at its meeting of 26 and 27 October, the Council of Ministers decided to debate the substance of the report at its session of 23 November.

¹⁷ Werner, Pierre, *Itinéraires*, Vol. 2, p. 131

¹⁸ See Cable from the Italian Permanent Representation to the EEC to the Italian Foreign Ministry on the conclusions submitted by Karl Schiller, German Minister for the Economy, to the permanent representatives of the Member States (Brussels, 23 November 1970). Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 49608/23.11.1970, Vol. 29/1970 (Telegramma ordinario. In arrivo. Economia/Politica.).

¹⁹ The Permanent Representatives’ Committee (Coreper) is a body responsible for preparing the work of the Council. This across-the-board task is performed for whatever configuration the Council is meeting in, except for the Agriculture Council, which is traditionally prepared for, in the main, by the Special Committee on Agriculture. Coreper, which was created de facto as soon as the Communities were set up, was written into primary legislation by Article 5 of the Treaty of Brussels of 8 April 1965 merging the executives. Coreper consists of one delegate per Member State (most often a senior official of the Foreign Ministry, with ambassador rank). Individually, the permanent representatives are the intermediaries between the institutions of the Communities and their governments. Collectively, with their colleagues from the other Member States, they take part in the work of the Communities by contributing to the process of adoption of measures taken by the Council. Coreper discusses all the items due to appear on the agenda before they are considered by ministers. If unanimous agreement is reached in Coreper, the ministers do not normally re-open the discussion but confine themselves to ratifying the result already arrived at. If no agreement has been reached, the ministers then discuss the matter. Coreper’s work makes it possible to identify points of agreement and disagreement between the various interests at work and the different ways there could be of working round them. The Council (the meeting of the ministers) can devote its energies from the outset to drafting the requisite political compromise. Since 1970, Coreper has been supported by specialist committees (the political committee, the monetary coordination group, etc.). These committees, which consist of representatives of the technical ministries responsible for the matter under discussion, stand in for Coreper when it comes to appraising specific or technical issues.

²⁰ Coreper may prepare the ground for the Council meeting with other senior officials. The text of the Council resolution points, without mentioning it, to the Monetary Committee, which was generally responsible for discussing and preparing texts on financial and monetary matters in Coreper’s place.

²¹ ‘Attainment of economic and monetary union in the Community by stages’, Docs. R/2247/70 (Fin 446) + Corr. 1 and R/2106/70 + Corr., Brussels, 23 November 1970. European Communities, the Council. Historical Archives of the Council of the EC. See also: Cable from the Italian Permanent Representation to the EEC to the Italian Foreign Ministry on the meeting of the EC Council of Ministers to exchange initial views on the Werner Report (Brussels, 25 November 1970). Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 49967/25.11.1970, Vol. 33/1970 (Telegramma ordinario. In arrivo. Economia/Politica.).

²² Commission communication and proposals to the Council on the attainment 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

²³ See Note to the Members of the Commission, Sec(70) 4408, Restricted, Item 7B, Agenda, 146, Brussels, 5 December 1970. Commission of the European Communities, Secretariat-General. Historical Archives of the Council of the EC

²⁴ The German delegation emphasised the twofold criterion *Stringenz und Flexibilität*. The Belgian, Dutch and Luxembourg delegations pointed out that a specific date needed to be set for completing the building of the union; for the German delegation, this could be contained within the expression ‘in the coming decade.’ See Minutes of the 579th meeting of the Permanent Representatives’ Committee, Brussels, 2 December 1970. Commission of the European Communities. Historical Archives of the Council of the EC

²⁵ See Draft introductory note drawn up by the President. Commission of the European Communities, DG II ‘Economic and Financial Affairs’, Brussels, 10 December 1970, Historical Archives of the European Commission

²⁶ This expression came from the Italian Finance Minister, Emilio Colombo, who suggested it at the Council of Finance Ministers in Venice (25 May 1970) in the context of the discussions on the interim report from the Werner Group. It was then used in the final communiqué from the Brussels Council of 8–9 June 1970.

²⁷ See Questions concerning the attainment of economic and monetary union in the Community by stages. Working Document T/37/71, Docs. R/2106/70 (Fin 427) + Corr. 1, R/2247/70 (Fin 446) + Corr. 1 and R/2687/70 (Fin 553). European Communities, the Council, Brussels, 25 January 1971. Historical Archives of the Council of the EC

²⁸ Under Article 236. The substance of this Article of the Treaty establishing the European Economic Community (Part Six — General and Final Provisions) is as follows: ‘The Government of any Member State or the Commission may

submit to the Council proposals for the revision of this Treaty. If the Council, after consulting the Assembly and, where appropriate, the Commission, expresses an opinion in favour of the calling of a conference of representatives of the Governments of Member States, such conference shall be convened by the President of the Council for the purpose of determining in common agreement the amendments to be made to this Treaty. Such amendments shall enter into force after being ratified by all Member States in accordance with their respective constitutional rules.'

²⁹ Minutes of the 579th meeting of the Permanent Representatives' Committee, Brussels, 2 December 1970, p. 3. Commission of the European Communities. Historical Archives of the Council of the EC

³⁰ The French delegation, by way of example, cited the fact that in France decisions on monetary matters were outside the Parliament's sphere of competence. Various delegations pointed out that, even if that might be true of the (limited) monetary field, it certainly did not apply to the adoption of the economic plan, the major aspects of economic policy, the budget, etc., inasmuch as such measures were of short-term economic importance.

³¹ The Commission's proposals did not envisage full harmonisation of direct and indirect taxes but a harmonisation confined to what was needed for the smooth functioning of the future economic and monetary union. See, in this connection, the presentation of the fiscal aspects of an EMU which Hans von der Groeben made to the Council on 29 and 30 May 1970: [Communication from the Commission \(Barre and von der Groeben\) on the development of a plan by stages for an economic and monetary union \(Brussels, 27 February 1970\)](#). (Document consulted on 10 October 2012.)

³² Walter Scheel (born on 9 July 1919) is a German politician, honorary president of the Liberal Democratic Party (FDP). In 1961 he became Federal Minister for Economic Cooperation. After the rapprochement with Willy Brandt and the Social-Liberal coalition of 1969, he became Vice-Chancellor and Federal Minister for Foreign Affairs. On 15 May 1974 he was elected President of the Federal Republic of Germany, and held that office until the elections in 1979.

³³ See Cable from the Italian Permanent Representation to the EEC to the Italian Foreign Ministry on the differences of opinion surrounding the Werner Report (Brussels, 11 December 1970). Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 52589/11.12.1970, Vol. 29/1970 (Telegramma ordinario. In arrivo. Economia/Politica.). See also: Cable from the Italian Embassy in Brussels to the Italian Foreign Ministry on the differences of opinion between France and Germany concerning the implementation of the Werner Report (Brussels, 17 December 1970). Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 53464/17.12.1970, Vol. 29/1970 (Telegramma ordinario. In arrivo. Economia/Politica/Stampa.). See also: Cable from the Italian Permanent Representation to the EEC to the Italian Foreign Ministry on the German Foreign Ministry's reaction to the differences of opinion between France and Germany concerning the implementation of the Werner Report (Brussels, 17 December 1970). Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 53465/17.12.1970, Vol. 29/1970 (Telegramma ordinario. In arrivo. Economia/Politica/Stampa.).

³⁴ See Cable from the Italian Permanent Representation to the EEC to the Italian Foreign Ministry on the Dutch position regarding the plan by stages for economic and monetary union (Brussels, 3 December 1970), Source: Foreign Ministry, Italian Diplomatic Historical Archives, Telegramma in arrivo, No 51321/03.12.1970, Vol. 29/1970 (Telegramma ordinario. In arrivo. Europa politica/Unione economica e monetaria.).

³⁵ See 'The plan for an economic and monetary union will not be implemented at the beginning of 1971', Agence Europe, *Europe Daily Bulletin* No 707 (new series), Brussels, 15 December 1970

³⁶ According to the statement by Karl Schiller at the end of the Council of Ministers meeting. Communication to the press, Brussels, 15 December 1970. In the Pierre Werner family archives.

³⁷ Werner, Pierre, *Itinéraires*, Vol. 2, pp. 136–137

³⁸ Ibid. Statement by Karl Schiller. Communication to the press, Brussels, 15 December 1970. In the Pierre Werner family archives. The statement presented by the Commission during the meeting (and annexed to the record of proceedings of the Council meeting) takes the same line: 'The Commission regrets, to begin with, the fact that the timetable set by the Hague communiqué has not been complied with and that a major political decision has not been turned into a practical reality as it could have been.' (Bulletin of the EC, February 1971, 2-1971, p. 54)

³⁹ The wording was taken from 'Attainment by stages of economic and monetary union in the Community', Docs. R/386 f/70 (Fin 73), Brussels, 15 December 1970, European Communities, The Council, Historical Archives of the Council of the EC. The identical words were used in the resolution of the Council and of the Heads of State or Government of the Member States of 22 March 1971. Reproduced in Monetary Committee, Compendium of Community monetary texts, 1974, p. 20

⁴⁰ [Letter from Willy Brandt to Pierre Werner, 1 February 1971](#). In the Pierre Werner family archives, ref. PW 048. (Document consulted on 10 October 2012.)

⁴¹ The 15th French-German summit was held in Paris on 25 and 26 January 1971, between the President of the French Republic, Georges Pompidou, and the Federal German Chancellor, Willy Brandt. The agenda for the talks gave a prominent place to the thorny questions on the Community agenda, including economic and monetary union.

⁴² Willy Brandt mentioned, among other things, the 'safeguard clause' proposed by President Pompidou. (This will be discussed in subsection 4.4, 'Political reactions in the Member States of the European Communities'.)

⁴³ See Minutes of the 586th meeting of the Permanent Representatives' Committee. European Communities, the Council, Brussels, 4 February 1971. Historical Archives of the Council of the EC

⁴⁴ See Questions relating to the attainment by stages of economic and monetary union in the Community, Note R/230/71 (Fin 48), Docs. R/2106/70 (Fin 427), R/2247/70 (Fin 2242/70) (ASS 1386). European Communities, the Council, Brussels, 5 February 1971. Historical Archives of the Council of the EC

⁴⁵ See Questions relating to the attainment by stages of economic and monetary union in the Community, Annex T/37/71 to Working Document T/37/71, and Docs. R/2106/70 (Fin 427) + Corr. 1, R/2247/70 (Fin 446) + Corr. 1 and R/2687/70 (Fin 553). European Communities, the Council, Brussels, 25 January 1971. Historical Archives of the Council of the EC

⁴⁶ See [Summary report of the 45th meeting of the Committee of Governors of the Central Banks of the EEC Member States](#), Basel, 12 December 1970, Section II.3, pp. 3–7. In the Pierre Werner family archives, ref. PW 048. (Document consulted on 10 October 2012.)

⁴⁷ The Council in fact agreed to four texts that day, in addition to the general resolution on economic and monetary union. These were the decision on strengthening the coordination of short-term economic policies, the decision on strengthening cooperation between the central banks and the decision on the implementation of a medium-term financial assistance mechanism. The fourth item was the medium-term economic policy programme of the Community (1971–1975). (Bull. EC, April 1970, 4-1970, pp. 26–27)

⁴⁸ Communication to the press. Council of the European Communities, General Secretariat, DG II Economic and Monetary Affairs, ref. 304/71, Brussels, 9 February 1971, pp. 0255–0271. In the Pierre Werner family archives

⁴⁹ Werner, Pierre, *Itinéraires*, Vol. 2, p. 136