

## 'Talks between the Six on economic and monetary union', from Le Monde (24 November 1970)

**Caption:** On 24 November 1970, the French daily newspaper Le Monde reports on the debates on the Council of Foreign Ministers and in the Council of Finance Ministers of the Six regarding the Werner Report on the feasibility of European economic and monetary union.

**Source:** Le Monde. dir. de publ. Fauvet, Jacques. 24.11.1970, n° 8 044. Paris: Le Monde. "Les discussions des Six sur l'union économique et monétaire", p. 36.

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## Talks between the Six on economic and monetary union

### Mr Schumann: No one can doubt our determination to succeed

Brussels — European Communities (AFP). ‘The French Government is taking a positive approach with the planned adoption of practical measures aimed at implementing economic and monetary union,’ stated Maurice Schumann, the French Minister for Foreign Affairs, as he presented Paris’s ‘political point of view’ at Monday’s meeting of the EC’s Council of Ministers for Foreign Affairs and Finance in Brussels. He added that ‘it is nobody’s intention to create weapons of international monetary in-fighting.’

The gist of Mr Schuman’s message was that states’ economic and monetary policies now need to be coordinated. ‘France has no intention of adding an institutional wrangle to the urgent tasks facing us.’

He concluded by saying that ‘we are here to take practical measures. No one can question our political will. The best way to ensure rapid progress is to begin discussing the elements that make up the first stage of the plan for economic and monetary union. This calls for a balanced, progressive and effective approach.’

The first issue that the Council of the Six dealt with on Monday was that of economic and monetary union. It will be recalled that the proposals for economic and monetary union within the Common Market represent a milder and less extreme formulation of the suggestions made in the report that was submitted to the Council a month earlier by the group of senior officials chaired by Pierre Werner, the Prime Minister and Finance Minister of Luxembourg.

The Commission has called upon the Council of Ministers of the Six to make the irreversible political commitment to ‘institute, during the current decade and on the basis of a plan beginning on 1 January 1967, the constituent elements of economic and monetary union.’

In the first part of the draft resolution, three short paragraphs describe the aims. It states in particular that the Community should, by the end of the decade, ‘possess in the economic and monetary field the powers necessary for effective management of the union, subject to democratic control at Community level.’ A ‘communication’ annexed to the draft explains that ‘the achievement of economic union and the establishment of monetary union will have to be accompanied by transfer to the Community of certain powers, previously exercised at national level, such transfer being limited to what is necessary for the cohesion of the union and for the effectiveness of Community action.’

The ‘Werner Report’ dedicated two pages of dense text to this issue and went much further, proposing the setting up of a ‘centre of decision for economic policy [that would] exercise independently, in accordance with the Community interest, a decisive influence over the general economic policy of the Community.’

However, the Commission sticks more closely to the Werner Report in proposing to ‘form a monetary entity, representing a single unit in the international system, whose features are the total and irreversible convertibility of currencies, the elimination of fluctuations in exchange rates and the irrevocable establishment of parity ratios permitting the final adoption of a single currency, and governed by a Community system of Central Banks.’

### The first stage

The second part of the Commission’s draft resolution describes in detail the various measures to be taken ‘during a first, three-year, stage’ in the coordination of economic, budgetary, fiscal, regional and monetary policy. On all these points, the Commission follows the conclusions of the Werner Report. In particular, it invites ‘the Central Banks of the member countries, on an experimental basis and from the beginning of the first stage, to limit the fluctuations in the exchange rates of their currencies to narrower margins than those resulting from the application of the margins in force for the dollar, this objective to be achieved by concerted action in relation to the dollar.’

In the third part of the report, the Commission proposes to submit a report to Council before 1 May 1973 ‘on progress [made during the first stage] and on the measures to be adopted after the completion of the first stage.’ There is no further mention of what the Werner Report called ‘the transition towards the final objective’ except where it says that ‘for those measures which could not be implemented on the basis of the existing Treaty provisions’ the Commission proposes ‘to present a draft in accordance with Article 236 of the Treaty’. This is a more restrictive approach than that contained in the Werner Report, according to which the institutional reforms required under the later stages were to be prepared during the first stage and required the convening of an intergovernmental conference to be tasked, ‘in good time’, with revising the Treaty of Rome.