

[‘The Economic and Monetary Union: light and shade \(2\)’, from Europe \(23 February 1973\)](#)

Caption: In his editorial of 23 February 1973, Emanuele Gazzo, Editor-in-Chief of Agence Europe, comments on the implications of the international monetary crisis and calls for increased cooperation in this area at Community level.

Source: Europe. Dir. of publ. RICCARDI, Lodovico ; Editor GAZZO, Emanuele. 22.02.1973, n° 1229. Brussels.

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The Economic and Monetary Union: light and shade (2)

If the British and the Italians are not hiding their scepticism about the economic and monetary union, the "minor" countries which set great store by this union, are not hiding their ill-humour about the fact that the procedures followed during the last crisis were not very orthodox from the point of view of the Community concept. The Danes, who are very critical, are finding an argument in it which is confirming their incredulity.

On the other hand, Bonn and Paris are showing a somewhat surprising optimism. According to "Lombard", this is connected with the fact that Paris is shifting into a form of "Atlantism", and is encouraged in this by Bonn and London. This does not seem to be a satisfactory explanation. Mr. Giscard d'Estaing has just said that the agreement with France's partners will enable "a European model to be prepared for monetary matters, which could function whatever the uncertainties, and constituting reception arrangements for Europe in the event of the whole system being shaken".

Having said this, and if one looks beyond the circumstantial reactions or those connected with certain traditions, the differences of opinion do not appear to be as great as might have been thought. Let us take a look, for example, at the position of Italy, in other words, of the country which took the initiative to leave the Community monetary arrangements. In the first place, we will find in it, as we said yesterday, the confirmation of the imperious requirement for parallelism. In this sense, the recent crisis should have contributed to alerting minds, and to making sure that this parallelism, accepted in theory, is converted into practice, notably by the swift adoption of action in the three fundamental directions: social policy, regional policy and reform of agricultural structures.

Secondly, if we analyse the position presented on several occasions by the heads of the Banca d'Italia, and notably by Messrs. Carli and Ossola, we shall see that the idea of European monetary integration is not rejected at all. It is naturally considered as only being able to be achieved when the economic policies become convergent and coherent. But, above all, it is situated in an overall concept, on a world-wide scale, and is therefore linked to a reform of the international monetary system (even beyond the limits covered at present by this system). This reform should lead to the creation of a limited number (5 or 6) of monetary areas, within which monetary unification would be achieved as a consequence of the unification of economic policies. The exchange relations between these areas could very well be governed by means of very great flexibility, enabling swift adjustments.

The crucial problem would then become that of the definition of the criteria which should guide the fixing of exchange parities and their possible modification among these monetary areas, in view of the fact that the balance of payments criterion alone would not be sufficient. This implies that the Community has a single balance of payments, and a common reserve fund. In this situation, it would then have the possibility of negotiating these criteria and of demanding their application, something which is impossible to do in the confused discussions which take place in the Group of Twenty, in which everyone has his own currency, his own surplus and his own deficit.

Em. G.