

The Werner Report – drafting and attempts at implementation (1970–1974)

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Following the [European Summit in The Hague](#) (1–2 December 1969) and the [1970 Barre memorandum](#), in March 1970 Pierre Werner was asked by the Council of the European Economic Community to chair a special study group that was set up to explore possible avenues to achieve economic and monetary union within a decade.

The [Werner Report](#) — officially presented on 8 October 1970 — represented a major step forward in the European integration process. The report provided for the establishment of an economic and monetary union that would involve significant transfers of responsibility from states to the European Community in the field of monetary policy. This economic and monetary union was to be established in two stages. During the first stage, which was to start on 1 June 1971 and to last three years, the broad outlines of economic and monetary policy were to be gradually developed in common among the Member States. Exchange relations between the Community currencies were to be progressively tightened and any increase in fluctuation between the Member States in general would be confined within relatively stable limits.

During the second stage, these courses of action would be pursued in a more binding way. A European Monetary Cooperation Fund ([EMCF](#)) was set up in 1973 and would subsequently carry out the necessary interventions on the foreign exchange market to maintain monetary cohesion between the Member States. A council was set up to establish macroeconomic policy among the Six.

Taking the [Werner Report](#) as a basis, the Commission of the European Economic Community drew up its own plan, which was adopted by the Six on 22 March 1971. This programme, divided into three stages, was intended to result in an economic and monetary union before the end of the decade. But despite the political will of the Member States, the introduction of an economic and monetary union — one of the first initiatives being the establishment of the currency snake — suffered a setback with the global monetary crisis in spring 1971 (the dollar crisis) and the 1973 oil shock.

The Werner Report was de facto put on hold in 1974.