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The Werner Report: Principles, Values and Challenges for a Europe Built through Currency



1. Introduction

2. The establishment and the work of the Werner Committee

3. The Werner Report (a symmetrical EMU)

4. Conclusion

The establishment of the Werner Committee

The Hague Summit (December 1 and 2, 1969)

The Heads of State agree to **make every effort to achieve economic and monetary integration.**

The decision is taken to **explore the possibilities for stage-by-stage progress towards an economic and monetary union.**

Composition of the Werner Committee

- **Chairmen of the Monetary Committee** (Bernard Clappier/France, who was also Deputy Governor of the Banque de France), **the Committee of Governors of the Central Banks** (Hubert Ansiaux/, Governor of the National Bank of Belgium), **the Medium-Term Economic Policy Committee** (Johann Baptist Schöllhorn/Germany, also State Secretary in the Federal Ministry of the Economy), **the Conjunctural Policy Committee** (Gerard Brouwers/the Netherlands, State Secretary in the Dutch Ministry of the Economy) and **the Budgetary Committee** (Gaetano Stammati /Italy, Treasurer-General in the Italian Ministry of the Treasury). **The Commission** was represented by the Director-General for Economic Affairs (DGII), Ugo Mosca.
- The experts were supposed to exercise their role in **an individual capacity** and **in full independence**, but their reactions increasingly reflected the positions of their governments, with which they were in regular contact.

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Why Pierre Werner?

The Werner Report: Principles, Values and Challenges for a Europe Built through Currency

Pierre WERNER (1913 - 2002)



The Werner Report: Principles, Values and Challenges for a Europe Built through Currency

Since 1960

Personal economic ideas and contributions on monetary integration between the Six:

- the need ‘to lay foundations as soon as possible for closer monetary cooperation to protect the Common Market ‘from disorderly financial and monetary interventions’.
- creation of a European unit of account as the ‘basis for a European monetary system’

January 26, 1968 - A ‘five-point action plan’ for European monetary integration

- establishment of a European unit of account
- consultation
- fixed exchange rates between the European currencies
- internal and external solidarity

September 10, 1968 – A ‘five-point action plan’ for European monetary integration with a balanced approach

- the need for economic policies to be coordinated **in parallel** with monetary integration.

The Werner Committee and European Economic and Monetary Integration in the 1970s – Theoretical Debates and Political Networks

Mentors: Robert Schuman, Charles Rist, Wilfried Baumgartner, Fernand Collin, Pierre Wigny

- European Finance Ministers Network: Valéry Giscard d'Estaing, Baron Jean-Charles Snoy et d'Oppuers, Karl Schiller, Franz Etzel
- Central Bank governors- and other bankers Networks: Baron Hubert Ansiaux, Guido Carli, Jelle Zylstra, Bernard Clappier and Karl Blessing, Hermann Abs (DB)
- European Activists Network: Jean Monnet, Robert Triffin, Robert Marjolin, Raymond Barre
- Relations with the British (Edward Heath)
- Good connections in the USA



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Grands acteurs de l'Europe monétaire (1961-1980)



avec Robert Schuman, 1961



avec Ludwig Erhard, 1964



avec Johan Witteveen et Rolf Dahlgren, 1965



avec Joseph Bech
et Kurt Georg Kiesinger, 1967



avec Albert Borschette
et Sicco Mansholt, 1967



avec George Brown
et Harold Wilson, 1967



avec Dean Rusk, 1967



avec Willy Brandt, 1967



avec Jean-Charles Snoy et
d'Oppuers, 1969



Sommet de La Haye, 1969



avec Valéry
Giscard d'Estaing, 1969



avec Gaston Thorn
et Franco-Maria Malfatti, 1970



avec Jean Monnet, 1970

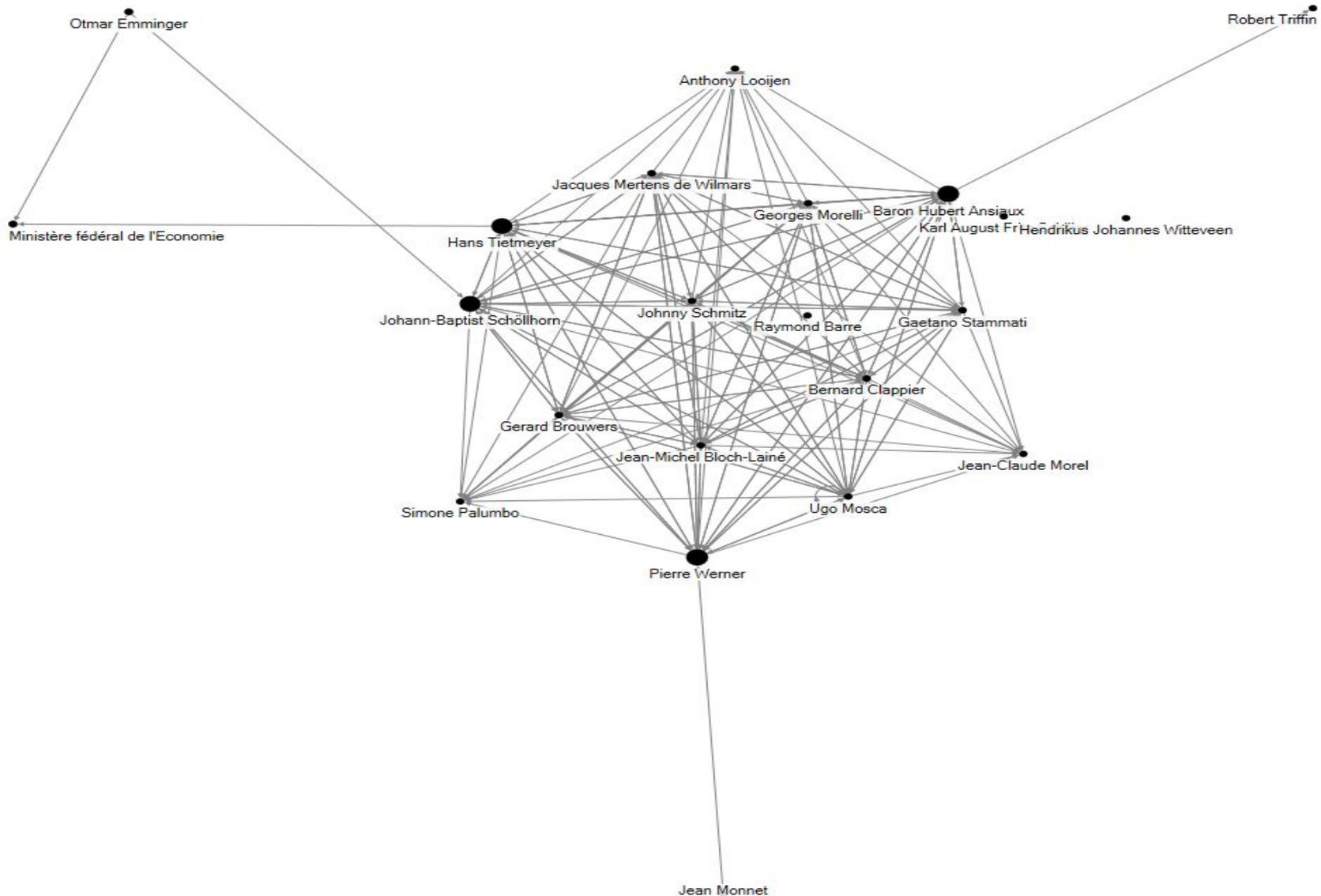


avec Helmut Schmidt, 1980

Summary of the timetable and the issues confronting the Werner Committee (06.03.1970–22.03.1971)

Date	Title	Location	Subject	Deputies:
06.03.1970	Decision of the Council of the European Communities on the procedure regarding economic and monetary cooperation. Definition of the composition of the ad hoc committee. Consensus surrounding the appointment of Pierre Werner as chairman of the group of experts.	Brussels	<p>Composition of the Committee:</p> <p>Chairman: Luxembourg Prime Minister, Mr Pierre Werner</p> <p>Chairman of the Monetary Committee: Mr Bernard Clappier</p> <p>Chairman of the Committee of Governors of the Central Banks: Baron Hubert Ansiaux</p> <p>Chairman of the Medium-Term Economic Policy Committee: Mr Johann-Baptist Schöllhorn</p> <p>Chairman of the Conjunctural Policy Committee: Mr Gerard Brouwers</p> <p>Chairman of the Budgetary Policy Committee: Mr Gaetano Stamatì</p> <p>Representative of the Commission — Director-General for Economic and Financial Affairs of the EEC: Mr Ugo Mosca</p> <p>Secretary: Mr Georges Morelli</p>	<p>Mr Johnny Schmitz</p> <p>Mr Jean-Michel Bloch-Lainé</p> <p>Mr Jacques Mertens de Wilmars</p> <p>Mr Hans Tietmeyer</p> <p>Mr Anthony Looijen</p> <p>Mr Simone Palumbo</p> <p>Mr Jean-Claude Morel</p>
06.03.1970	Meeting of the Committee of Governors of the Central Banks (the 37th session of the EC Committee of Governors of the Central Banks)	Basel	<p>Attended by: the Governor of the National Bank of Belgium and chairman of the committee, Baron Ansiaux, accompanied by Mr de Strycker, the Governor of the Deutsche Bundesbank, Mr Klausen, accompanied by Mr Emminger, the Governor of the Banque de France, Mr Wormser, accompanied by Mr Clappier, the Governor of the Banca d'Italia, Mr Carli, accompanied by Mr Raffi, the Governor of the Nederlandsche Bank, Mr Zijlstra, accompanied by Baron Mackay. They are assisted by the Vice-President of the Commission of the European Communities, Mr Barre, accompanied by Mr Mosca, the chairman of the committee of alternates of the Group of Ten, Mr Ozola, as well as Mr Mertens de Wilmars, chairman of the group of experts on the Community system for short-term monetary support. The secretary-general of the committee, Mr d'Aroma, his deputy, Mr Bascoul, and Mr Rainoni are also present.</p> <p>The Committee of Governors has a first exchange of views regarding a note from the Council on the creation of an ad hoc committee chaired by Pierre Werner that is to be tasked with analysing various suggestions and identifying the fundamental options for an economic and monetary union in the Community. The committee discusses a working document for the creation of a European Reserve Fund, based on a report by Professor Robert Triffin from December 1969. Questions relating to the short-term European monetary system are also addressed.</p>	
11.03.1970	Preliminary meeting of the Werner Committee	Luxembourg	Adoption of the committee's working methods. Fixing of deadlines — May for preliminary conclusions and end of July for the conclusion of the meetings. The chairman invites committee members — in accordance with their respective responsibilities — to draft memorandums describing the measures they envisage to attain the final objective. The chairman, Mr Werner, gives his colleagues a first comparative overview of the debates regarding monetary integration and the proposals put forward by various governments (Germany, Belgium, Luxembourg), as well as by the Commission.	
20.03.1970	First meeting of the Werner Committee	Luxembourg	Exchange of views on the documents submitted by certain members. Discussions on the definition that should be given to the final objective of economic and monetary union, particularly in the fields of monetary and credit policy, of budgetary and fiscal policy, of integration of capital markets, as well as in the institutional domain. Mr Werner proposes that a synthesis report be drawn up summarising the ideas and positions presented. The Commission sets up an inter-directorate working party on economic and monetary union to be responsible for carrying out the necessary work to supply the Commission's representative in the Werner Group with points for consideration and documentation. The directors and secretary of the Monetary Committee are part of this working party. The group takes office on 18 March 1970. The full members of the ad hoc group present the deputies they have chosen to take part in the work.	
07.04.1970	Second meeting of the Werner Committee	Brussels	Submission of a document drawn up by Johann-Baptist Schöllhorn. Discussions on the drafting of a diagram portraying the present situation, the point of departure, the point of arrival and the principles of the plan by stages. The group decides to limit itself to defining the first stage, at least for the current report. Another decision of the group is to entrust the writing of the draft report to the deputies. The latter are to meet on 6 and 8 May 1970 under the chairmanship of Mr Mertens de Wilmars. The inter-directorate working party draws up a planning memorandum entitled 'The state of economic and monetary union in 1970 following completion of the plan by stages'.	
13.04.1970	Meeting of the Committee of Governors of the Central Banks (the 38th session of the EC Committee of Governors of the Central Banks)	Basel	<p>Attended by: the Governor of the National Bank of Belgium and chairman of the committee, Baron Ansiaux, accompanied by Mr de Strycker, the Governor of the Deutsche Bundesbank, Mr Klausen, accompanied by Mr Emminger, the Governor of the Banque de France, Mr Wormser, accompanied by Mr Clappier, the Governor of the Banca d'Italia, Mr Carli, accompanied by Mr Raffi, the Governor of the Nederlandsche Bank, Mr Zijlstra, accompanied by Baron Mackay. They are assisted by the Vice-President of the Commission of the European Communities, Mr Barre, accompanied by Mr Mosca, the chairman of the committee of alternates of the Group of Ten, Mr Ozola, as well as Mr Mertens de Wilmars, chairman of the group of experts on the Community system for short-term monetary support. The secretary-general of the committee, Mr d'Aroma, his deputy, Mr Bascoul, and Mr Rainoni are also present.</p> <p>Baron Ansiaux reports on the first two meetings of the Werner Committee. The first meeting demonstrated 'the importance of making progress in parallel on economic and monetary issues', as well as 'the importance of achieving a balance between the measures that need to be taken in various fields — monetary, budgetary, fiscal and economic — in order to achieve an economic and monetary union. The definition and length of the stages could be determined at a later date.' The second meeting saw discussions on the final objective, namely 'full economic and monetary union [...] with three lines of action: voluntary coordination between the EEC countries, harmonisation (common guidelines) and decisions taken by Community bodies. For the third meeting, to be held in Rome, Mr Werner will present a document on the progressive development that might be envisaged.' Questions on the unification of banking legislation and the flexibility of exchange rates are also discussed.</p>	
21.04.1970	Confidential meeting between the chairman and the secretary of the Werner Committee	Luxembourg	Creation of the 'roadmap' for the plan by stages, identifying the point of departure and describing the final objective and the necessary and desirable actions to take — in the fields of economic policy, monetary solidarity and institution-building — in order to attain this. This summary is accompanied by an inventory of the practical measures cited — particularly for the first stage. Strengthening monetary solidarity, implications of possible participation by the United Kingdom in the monetary cooperation mechanisms, as well as the European Reserve Fund and the pound sterling are examined in detail. The document is sent out on 22 April to the members of the group in preparation for the Rome meeting.	
30.04.1970	Third meeting of the Werner Committee	Rome	At the start of the group's work, Gaetano Stamatì demands that 'meetings, attended by high-level personalities, should be held successively in each of the Community Member States'. Thus the third meeting of the group is held in Rome. Continued exchange of views on the issue of economic and monetary union.	
06.05.1970 08.05.1970	Meetings of the deputies' group	Brussels	Meetings of the group of deputies chaired by Mr Mertens de Wilmars, with the support of the Commission Directorate for Economic and Financial Affairs responsible for drawing up the draft interim report. Systematisation of the issues to be dealt with in the report. On 11 May 1970, an 'Interim report to the Council and the Commission. Plan by stages for the establishment of economic and monetary union' is submitted by J. Mertens de Wilmars to the secretary of the Werner Committee.	
11.05.1970	Meeting of the Committee of Governors of the Central Banks (the 39th session of the EC Committee of Governors of the Central Banks)	Basel	<p>Attended by: the Governor of the National Bank of Belgium and chairman of the committee, Baron Ansiaux, accompanied by Mr de Strycker, the Governor of the Deutsche Bundesbank, Mr Klausen, accompanied by Mr Emminger, the Governor of the Banque de France, Mr Wormser, accompanied by Mr Clappier, the Governor of the Banca d'Italia, Mr Carli, accompanied by Mr Raffi, the Governor of the Nederlandsche Bank, Mr Zijlstra, accompanied by Baron Mackay. They are assisted by the Vice-President of the Commission of the European Communities, Mr Barre, accompanied by Mr Mosca, the chairman of the committee of alternates of the Group of Ten, Mr Ozola, as well as Mr Mertens de Wilmars, chairman of the group of experts on the Community system for short-term monetary support. The secretary-general of the committee, Mr d'Aroma, his deputy, Mr Bascoul, and Mr Rainoni are also present.</p> <p>Baron Ansiaux informs the committee about the meeting of the Werner Committee that took place in Rome and notes that on 14 May there is to be a further meeting at which a draft report drawn up by a group of deputies will be discussed. 'The following meeting, in theory the last, is scheduled for 20 May, such that the final document should be ready for 23 or 24 May and examined at the quarterly meeting of the Finance Ministers and Governors on 29 May in Venice.' Raymond Barre explains that the Commission has asked the Foreign Ministers to accompany the Finance Ministers to this meeting. Baron Ansiaux then sets out the broad lines of the preliminary draft of the Werner Report, emphasising the principle of parallelism and synchronisation between various measures, but 'the Council would take the decisions that it saw fit to take'.</p>	
14.05.1970	Fourth meeting of the Werner Committee	Luxembourg	Continuing exchange of views on the issue of economic and monetary union, submission of the preliminary draft report drawn up by the 'Mertens de Wilmars group'.	
20.05.1970	Fifth meeting of the Werner Committee	Luxembourg	Discussions on the draft report, amendment, adoption of its final structure for presentation to the Council of Ministers.	

The Werner Report: Principles, Values and Challenges for a Europe Built through Currency



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CONSEIL – COMMISSION
DES COMMUNAUTÉS EUROPÉENNES

Rapport au Conseil et à la Commission
concernant la réalisation par étapes de
L'UNION ÉCONOMIQUE ET MONÉTAIRE
dans la Communauté

«**Rapport Werner**»
(texte final)

Supplément au Bulletin 11 – 1970
des Communautés européennes

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‘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.’

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. (Document consulted on 10 October 2012.)

The Werner Report: Principles, Values and Challenges for a Europe Built through Currency

- Comparative overview (‘where there is a variety of monetary plans, there has to be a synthesis’)
- A three-point Method: point of departure – final goal – alternative routes
- Mediation and Network Diplomacy (‘the right man in the right place at the right time’)

Consultations and discussions on monetary issues and political initiatives (with Jean Monnet, Robert Triffin, Willy Brandt, Robert Ansiaux, Bernard Clappier.)

Compromise on the interim report (22 May 1970) and on the final report (7 October 1970)

The Werner Report: Principles, Values and Challenges for a Europe Built through Currency

Letter from Jean Monnet (May 26, 1970)

COMITÉ D'ACTION
POUR LES
ÉTATS-UNIS D'EUROPE

727 62-00
533 24-04

83, AVENUE FOCH, PARIS XVI^e

le 26 mai 1970

Pour monelle

Mon cher Président,

Je souhaite revenir sur notre conversation au sujet du rapport de votre Comité. J'en ai pris connaissance et ai discuté avec M. Clappier.

Je vous envoie ces quelques réflexions avant que nous parlions au téléphone mercredi après-midi.

Le rapport de votre Comité montre clairement une différence entre ceux qui veulent commencer une action monétaire de suite et ceux qui veulent reporter cette action monétaire après que l'union économique aurait été réalisée.

Le fait d'indiquer ces divergences profondes est très utile. Mais en même temps, je pense que pour surmonter cette différence il ne faut pas brusquer la discussion.

La suggestion que vous me faisiez l'autre jour de rendre visite au Chancelier Brandt est bonne. Vous devriez aller le voir le plus tôt possible et avoir une conversation avec lui avant le Conseil des Ministres les 8 et 9 juin.

Je pense que le mieux serait d'obtenir alors du Conseil des Ministres de la Communauté un nouveau mandat au Comité que vous présidez. Le Conseil demanderait à votre Comité des études plus complètes de la première étape tendant à préciser :

- Les implications économiques et les modalités techniques d'un régime spécifique de change pour les pays de la C. E. E., appuyé sur un Fonds européen de stabilisation des changes ;
- Les méthodes par lesquelles des progrès réels pourraient être faits dans la voie de l'harmonisation économique.

De cette manière, le nouveau rapport demandé à votre Comité pourrait concilier les deux points de vue qui s'expriment dans votre rapport préliminaire.

J'ai pleine confiance que vous pourriez ainsi dégager une solution unanime au sein de votre Comité.

Je vous prie de croire, Monsieur, à ma haute estime et à ma confiance.
Jean Monnet

Jean Monnet

Monsieur Pierre WERNER
Ministre d'Etat
Ministre des Finances
LUXEMBOURG

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Areas to be explored further by the Werner Committee (May 1970)

Thèmes à développer :

Mais nous faire un travail en profondeur sur un nombre limité de problèmes. Il n'y a pas à priori de conception générale de l'Europe. D'une façon générale on nous demande plutôt que conseil politiquement. Donc les actions à entreprendre sur deux de la première étape, tout en prenant garde à ne pas perdre une occasion de la coordination ~~politique~~ et plus particulièrement de l'action à entreprendre.

① Grande approximation sur les aspects institutionnels des pays et de l'Europe.

② Moyens financiers et instruments financiers à mettre à disposition officielle a) de la politique ^{économique} b) de la politique ^{monétaire} sur la proposition.

a) Obligations et fonctions.

③ Dispositions limitées mais précises sur la politique budgétaire. Financement des déficits et dépenses et incidence sur la politique de liquidité générale dans le système monétaire.

④ Harmonisation générale des paramètres de la politique monétaire et de la politique de crédit.

⑤ Régime des changes
Coordination gouvernementale.

⑥ Examen d'urgence des mesures plus immédiates en matière de stabilité des finances.

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Letter from Willy Brandt (February 1, 1971)

BUNDESREPUBLIK DEUTSCHLAND
DER BUNDESKANZLER

Bonn, den 1. Februar 1971

Sehr geehrter Herr Ministerpräsident,

wenn ich Ihnen erst heute für Ihr freundliches Schreiben vom 29. Dezember 1970 danke, so wollte ich zunächst meine Gespräche in Paris mit Staatspräsident Pompidou abwarten, um Ihnen zugleich zu dem Ihnen wie mir am Herzen liegenden Thema der weiteren Behandlung des Stufenplans etwas Näheres sagen zu können.

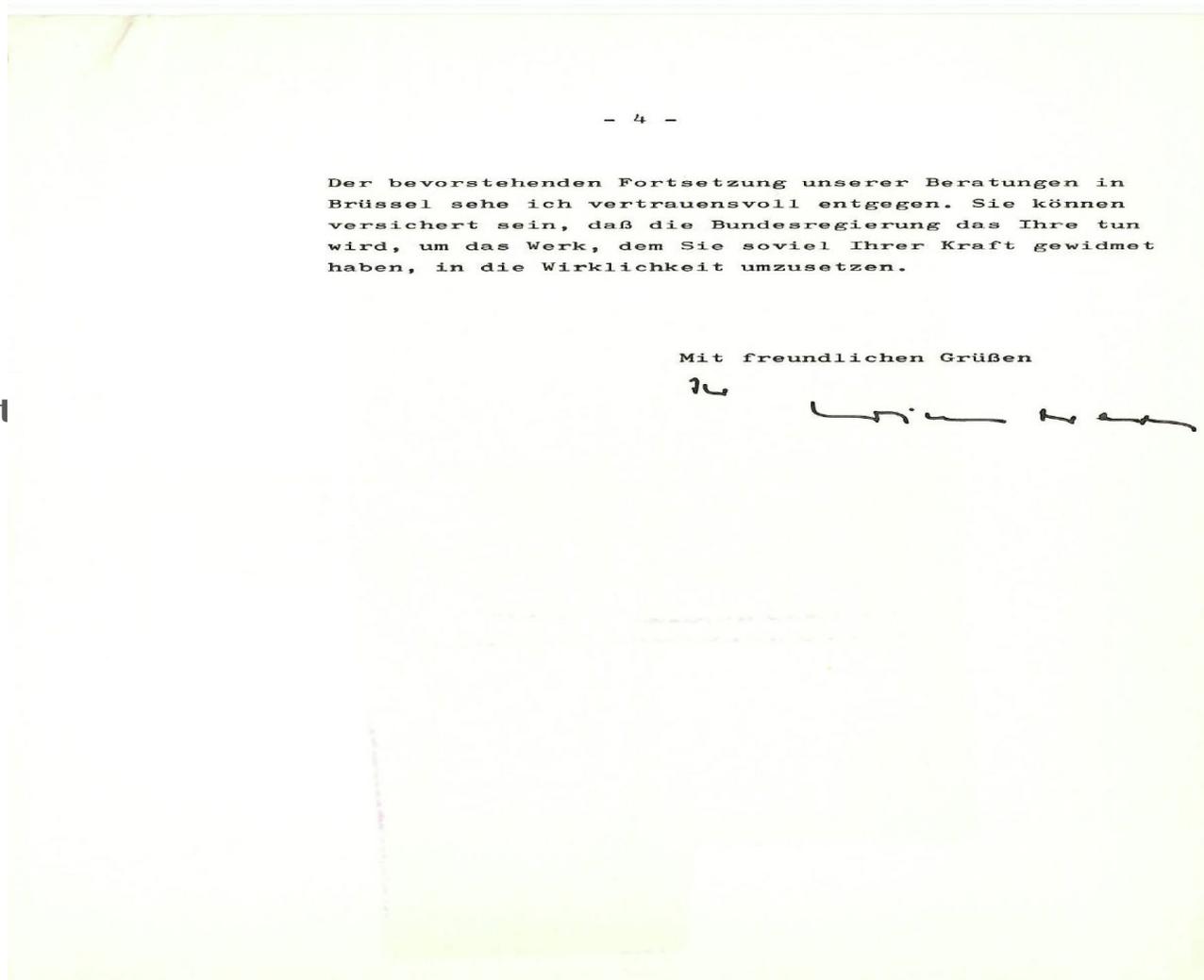
Sie haben mit Recht Ihre Wünsche zum Jahreswechsel, die ich herzlich erwidere, in Zusammenhang zu dem europäischen Aufbauwerk gebracht, um dessen Förderung wir uns im nächsten Jahr in gleicher Weise bemühen wollen. Ein sehr wichtiger Teil der Arbeiten des letzten Jahres ist mit Ihrem Namen verbunden und ich möchte diese Gelegenheit ergreifen, um Ihnen noch einmal den Dank der Bundesregierung abzustatten.

Ich betrachte den "Werner-Bericht" nach wie vor als grundlegend und richtungweisend. Das von uns in Den Haag proklamierte Ziel der Wirtschafts- und Währungsunion muß nunmehr in gemeinsame Entschlüsse gefaßt werden, die uns die Gewähr dafür geben, daß der Prozeß irreversibel

Seiner Exzellenz
dem Großherzoglich Luxemburgischen
Ministerpräsidenten
Herrn Pierre Werner
L u x e m b u r g

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Letter from Willy Brandt (February 1, 1971)



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- A parallel approach between economic cooperation and monetary coordination
- The external dimension of EMU
- The role of Central Bankers

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In the history of Europe as a monetary entity, there is a pre-Werner and a post-Werner period.

- 'Up until the time of the report, which is inextricably associated with the Hague Conference, the Member States still had a vision of an economic union, or at any rate a common market, which they thought could be achieved merely by resorting, where monetary affairs were concerned, to the coordination of their policies; from the time of the Hague Conference and the Werner Report onwards, they admitted that economic union could not be brought about unless monetary union were progressively established' (Ansiaux, H and Dessaert, M. 1975:1).

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‘It could be said that the overall philosophy behind what we proposed and even the structure of the Delors Report were very heavily influenced by the Werner Report ... The Delors Committee’s report is a direct follow-on from the Werner Committee’s report.

‘[In the report by the Delors Committee] ... we agreed on the three stages taken over from the Werner Report: stage one, devoted to enhancing coordination, from 1 July 1990; stage two, a transition stage on the way to the final stage, preparing the ground for what were ultimately to be the institutions for Economic and Monetary Union; and the last stage, at which the exchange rates between the currencies themselves and between them and the single currency would be laid down irrevocably.’

Jacques Delors

The Werner Report: Principles, Values and Challenges for a Europe Built through Currency

This book examines the European vocation and achievements of Pierre Werner (1913–2002), former Prime Minister, Finance Minister and Foreign Minister of Luxembourg, unanimously recognized as one of the architects of the Economic and Monetary Union. The author makes extensive use of Pierre Werner's previously unpublished archives belonging to the Werner family, opened for the first time for research purposes. The book analyses the Werner Report, negotiations within the Werner Committee, the emergence of the Committee's views on EMU, their political commitment to a European currency, the similarities and differences between their ideas, their personal networks, the influence of the states they represented, their theoretical and methodological input and their contribution to the political consensus.

Chapters shed new light on various aspects of the European integration process and also on the role of Luxembourg and its European policy. In addition, the author has carried out a series of original interviews with Luxembourg and European figures who share their memories and thoughts concerning Pierre Werner, his achievements and his views on the European integration process, and also other topics such as the Economic and Monetary Union and Luxembourg's European policy.

This book will be of interest and value to researchers, EU policy makers and students in the fields of political economy, political science, economic history and history of economic thought.

Elena Danescu is an internationally renowned expert on the work and achievements of Pierre Werner. She is a Research Scientist at the Luxembourg Centre for Contemporary and Digital History. She holds a PhD in Political Economics from the National Institute of Economic Research (INCE). She is Fellow of Robert Schuman Institute of European Affairs and joined the University of Luxembourg in 2016 and has been involved in several international projects focusing on European integration history and the role of Luxembourg and its elites in the European integration process, in EMU and in EU governance.

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Pierre Werner and Europe

Elena Danescu



ARCHIVAL INSIGHTS INTO THE
EVOLUTION OF ECONOMICS

PIERRE WERNER AND EUROPE

The Family Archives Behind
the Werner Report

Elena Danescu

*Foreword by Jean-Claude Juncker
and Preface by Harold James*



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