président français sur « une vision plus claire de ce qu'il arrivera quand la première phase sera accomplie ». Il insistait aussi sur la nécessité de mettre les instances de la Communauté en mesure « d'agir efficacement et rapidement », une manière de dire qu'il fallait renforcer le dispositif institutionnel, y compris, si nécessaire, par une modification des traités. Par une lettre du 1er février 1971, Brandt s’adressait également, dans le même esprit, à Pierre Werner. L’essentiel semblait être la recherche d’une solution « de rattrapage » au cas où, à l’issue de la 1re phase, l’harmonisation économique n’aurait pas été jugée satisfaisante. Pouvoir-on prévoir un délai supplémentaire pour les pays « en retard » ?


La suspension de la cotation du mark, réponse donnée par le gouvernement allemand, le 9 mai 1971, à un afflux spectaculaire de dollars, équivalent à la suspension de la première étape de l’UEM. Dans un premier temps, l’espoir du gouvernement allemand fut de retourner, dans un délai rapproché, au régime de taux fixes afin de pouvoir reprendre le projet de l’UEM ultérieurement. L’instabilité persistante du système monétaire international fit vite comprendre qu’il faudrait beaucoup plus de temps pour adapter le projet monétaire européen à des circonstances politiques, économiques et monétaires turbulentes.

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The Dutch “Contribution” to the Werner Plan

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Although the Dutch had been present at the birth of European cooperation, they were somewhat reluctant participants in the process, forever seeking a balance between their old Atlantic and their new continental interests. This was true of their perception of European politics, as well as of their assessment of monetary matters within European cooperation. It was thus not entirely surprising that The Hague expressed reservations about the idea of setting up a special committee to devise a plan in stages for economic and monetary integration. It was clear that such a process would imply harmonisation at the European level, together with the transfer of financial and economic powers to the Community. Yet doubts went further: could there even be monetary progress without advances in economic and political integration? The Hague was not sure, and its representative on the Werner Committee, set up to develop a roadmap for this uncharted terrain, never tired of pointing this out. The present contribution will examine the Dutch role in the Werner Committee from the perspective of The Hague’s participation in European integration.

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The foreign policy of the Netherlands has long been characterised by the prevalence of the concept of neutrality, combined with a keen eye for trading interests. It took the Dutch time, and two world wars, to adapt to the idea that its prime interests lay in furthering close relations with its neighbours in the interest of trade. When, during the 1920s – the brief period of renewed hope for a peaceful Europe – the idea of an

Setting up a common agricultural policy was a priority for the European Commission and for European integration. The focus was to create a common market based on the free movement of agricultural produce. The common agricultural policy also guaranteed prices. Agricultural and monetary policy thus became linked. Guaranteed agricultural prices were fixed in European units of account every year. Prices formerly expressed in national currency now were to increase by the percentage of devaluation in the country which devalued its currency, or decrease by the percentage of revaluation in the country which revalued its currency. This produced serious potential disadvantages (inflationary effect in the country that devalued, and penalisation of agricultural producers in the country that revalued). Mandatory prices for agricultural products would tie exchange rates. The CAP therefore became an obstacle to parity changes.

The establishment of a common unit of account in which agricultural prices could be expressed gained extra weight. The thinking about this took several years to come to fruition. The common market for agricultural products was instituted on 1 July 1967, but the price system at the root of it was overtaken by monetary developments outside the control of the EEC within a year. In 1968 a wave of speculation depressed the rate of the French franc and pushed the German mark and the Dutch guilder up. This gave the pursuit of monetary integration a new urgency. Pierre Werner, building on ideas first proposed by the German monetary specialist Otto Pfeiderer in 1964, took the initiative to call for a programme of Community action to resolve monetary problems and abolish fluctuations between EEC currencies. In the spring of 1968 Werner voiced his ideas for an action plan in speeches in Saarbrücken and Luxembourg. Although it was not entirely clear in The Hague what Werner’s plan actually entailed, ideas to ask Werner for further study and clarification of his plan were welcomed. A summit was held in Bonn in November 1968 to find a solution to the currency problems in Europe. The short-term result was a European support package to bolster the French franc.

In December 1968, a few months after the scheduled end of the transition period to the common market and after the worst of the turmoil surrounding exchange rates was over, the European Commission outlined its views on monetary policy. The Commission called for more cooperation and greater coordination of economic policies among the Member States, in particular to maintain the parity between currencies, which was of crucial importance for the common agricultural policy and the rapidly developing trade between Member States.7

The EEC’s Monetary Committee went one step further and in January 1969 recommended coordinating economic policies on wage and price developments, which would also strengthen the ability to maintain the prevailing exchange rates.8 This was welcomed with some caution at the Ministry of Finance in The Hague, where the idea of coordination between Member States was met with support. It was envisaged that a group of experts be set up to study these issues, preferably headed, in the Dutch view, by Professor Jacques Mertens de Wilmars, the Belgian specialist on international monetary affairs.9 The issue of how to move forward in these areas was subsequently discussed in the Monetary Committee in Brussels, where communis opinio was that an abolition of exchange rate fluctuations was perhaps desirable in principle but was unattainable for the present. In fact, given the problems already encountered with the American dollar, it appeared to make just as much sense to go the opposite way and actually think about wider margins of fluctuation between currencies.10

The European Commission itself presented a second memorandum on the coordination of economic policy and monetary cooperation to the Council of Ministers a month later on 12 February 1969. The document, soon to be known as the Barre Plan, revolved around three main issues: harmonising mid-term economic policy, coordinating short-term economic and monetary policies, and setting up a monetary cooperation mechanism as a facility for immediate drawing rights by members with balance of payments difficulties. The Monetary Committee generally welcomed the plan, as it addressed issues that had also been discussed in its own meetings, although the Netherlands delegate, Secretary of the Treasury Emile van Lennep, lost little time in pointing out that no mechanism could prevent crises unless the Member States adhered to sound financial policies. Given the fact that national policies differed and governments were likely to resist controls, the capacity to adjust exchange rates was, he thought, a

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6 Office memorandum for the Treasurers, 30 July 1968: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 86.


9 Note from D.M.N. van Wensveen (Head of Monetary Affairs) to the Treasurer-General Emile van Lennep, 4 Feb. 1969: Netherlands National Archive (henceforth: NA), 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 95.

The Dutch "Contribution" to the Werner Plan

Marc Dierikx

condition worth preserving. Therefore van Lennep was against the proposed monetary mechanism and actually instructed his colleagues at the Treasury to stall any talks on the issue that might arise, so as to gain time to clarify what position to take. And van Lennep was not the only critic of the monetary cooperation mechanism. The draft position paper that was circulated at the Finance Ministry stated in no uncertain terms that the plan was superfluous, as its overall target - stability to avoid monetary crisis - could not be reached by financial means alone. Besides, it was felt that the proposal as presented was not rooted in the 1957 EEC Treaty. Moreover, the creation of a regional monetary provision would distort the worldwide system based on the IMF. A mutual commitment of central banks would be just as effective and preclude complicated discussions, or so it was thought.

The Barre Plan and ideas surrounding it were discussed at an informal meeting of Finance Ministers of the Six in April, a development that was regarded with suspicion by the other Cabinet members in The Hague for fear of the creation of a new decision-making body beyond the influence of the rest of the Cabinet. In keeping with the general atmosphere at his ministry, Finance Minister Johan Witteveen expressed reservations on the proposed "monetary mechanism" that was to result from improved coordination of economic policies, of which Pierre Werner had declared himself to be a proponent. Witteveen, for one, saw more dangers than advantages arising from such a mechanism. In the Dutch view, its adoption might well become an obstacle for the enlargement of the Community, still a key Dutch policy goal. Although ideas appeared to be heading adrift in the neighbouring countries, moving in any direction proved difficult in The Hague. In June the Dutch Ministry of Finance even went one step further, openly referring to the support mechanism as superfluous and a danger to enlargement of the Community. These concerns were shared and voiced throughout the Dutch administration, which was fearful that monetary cooperation might lead to a monetary union long before the actual European integration process as such was completed. Meanwhile Foreign Minister Joseph Luns cautioned against hastening the integration process itself as long as the position of France remained ambiguous. Despite such reservations, The Hague felt it had little option but to support the adoption by the Council of Ministers of the Barre Plan on 17 July 1969 to further converge economic policies and initiate monetary cooperation in a "Community mechanism". The idea was that this would, in due time, result in an economic and monetary union.

After the adoption of the Barre Plan, the monetary discussions between the Six continued. Much attention was focused on the link between national budgets and the financing of the common institutions of the EEC, and the institutional control thereof. In the Netherlands the upper echelons of the Ministry of Finance were sceptical, and Minister Johan Witteveen was no exception. Nonetheless monetary issues were not considered crucial in the short term and the Dutch maintained their attitude as critics on the sidelines of the discussions. Dutch policy generally focused on British accession to the EEC, an issue that drew far more attention. Another important topic for The Hague was the level of democratic control in the Community: monetary integration without a European Commission in charge of this matter - a Commission responsible to the European Parliament which might be forced by it to stop down - was regarded with suspicion in the Cabinet. Yet in November 1969, Belgian Finance Minister Jean-Charles Snoy et d'Oppuers handed Witteveen an informal version of a plan of his own regarding monetary cooperation, built on the acceptance of three stages towards this goal. Snoy's move, and the fact that he consulted Witteveen even before he put forward his ideas in the Belgian Cabinet, changed Witteveen's perception. If Belgium moved on monetary cooperation, the Dutch could not be left behind. Witteveen's new point of view entailed a radical departure from the position that had hitherto prevailed at his ministry. In the Cabinet, he had positive words for the Snoy Plan, as long as it contained a provision that its realisation would be based on closer political cooperation. Thus it was


12 Comment by van Lennep in the margins of an introductory letter with a draft Netherlands position paper, 1 April 1969: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 95.


14 Netherlands Cabinet Minutes, http://resources.huygens.knaw.nl/europeseintegratie/index_html_en [S00122].


decided that the Netherlands would support the Smoly Plan, and therefore — although implicitly — embark upon the road towards monetary cooperation. It was hoped that such a move would be beneficial for the talks on expansion of the Community, still the central goal of Dutch policy.\(^9\) It meant that the die was cast to move forward on monetary cooperation, especially since it was rumoured that the Germans were also ready to move on this topic.

Indeed, the Hague Summit of European government leaders on 1 and 2 December 1969 led to a breakthrough. Such progress was also the main objective for the European Commission. On the second day of the conference, monetary matters were discussed: the design of a phased plan for economic and monetary union (EMU). This was now embraced as a starting point, especially since the Germans strongly supported it. Chancellor Willy Brandt was willing to invest part of the German reserves in a European reserve fund, although his Minister for Economic Affairs Karl Schiller (who stuck to a plan in stages) disagreed.\(^20\) Indeed, senior Dutch policy officers were later convinced that progress at the summit had only been possible because of the near complete absence of any monetary specialists to advise the Heads of State or Government, a view they shared with senior civil servants at the Ministry of Finance in Paris. In the words of Emile van Lennep, then newly appointed as Secretary General of the Organisation for Economic Cooperation and Development (OECD): “... the Ministries of Foreign Affairs and the cabinets of Presidents and Prime Ministers received the free political and incompetent hand.” If anyone was responsible for the sudden appearance of economic and monetary issues on the agenda, he felt, it was Willy Brandt, who had only lent his ear to people from his immediate surroundings, and who had sponsored progress on these issues.\(^21\)

A proposal for the implementation of the support fund was on the table a month later. However, economic and monetary issues were complex. Even at the highest levels, thoughts about the pros and cons of economic and monetary union differed. Now that things were gathering momentum, these pros and cons came to light: free movement of capital and the idea of linking the exchange rates, versus uncertainty regarding economic convergence and political integration. For the route to economic and monetary union four alternatives were promoted: a Luxembourg plan devised by Werner, a German plan launched by Schiller, the Belgian Smoly Plan, and a proposal from the European Commission itself. Apart from this, ideas circulated that were put forward by the French President Georges Pompidou and by the Belgian-born American economist Robert Triffin, then a professor at Yale University, to Jean Monnet’s Action Committee for the United States of Europe. These plans had in common that they all provided for stage-by-stage development. Only the first four plans made it to the European circuit. These promoted monetary union after a two-stage period, each stage lasting five years, starting from 1970. In the final year, 1980, a form of European currency was to be introduced. The various approaches differed as to the route to achieve that goal, especially the strictness of the conditions between the stages. However, there were significant differences. The Luxembourg plan embodied a monetary approach. The main alternative was the German Schiller Plan, or Stufen Plan, which emphasized the role of the measures to be taken in the different areas of economic policy first. It did not provide for an automatic transition from one stage to the next. After further consideration, this was the plan favoured by the Netherlands Ministry of Finance.\(^22\) Nonetheless there was grave concern over the political implications of a monetary union, even if this would initially go no further than setting fixed exchange rates between currencies. Any development towards a monetary union must, in the view of the Finance Ministry, rest on a real coordination of economic policies of the participating national governments. It was as yet unclear how to bring this about. Hence the preference for the German plan that at least had an open eye to politics and contained a control mechanism of clearly demarcated stages. Even so, it was felt that decision-making should focus on the final goal of monetary union itself, whether in the shape of an actual European currency (and thus a European Central Bank that would supervise monetary policy) or in the shape of irrevocably fixed exchange rates. The route towards this goal was considered of secondary importance.\(^23\) The European currency was perceived as the capstone of the process of total economic integration of the Community and of the process towards a new federal “United States of Europe”.\(^24\)

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23 Memorandum from Onno Ruding to Minister Witteveen, 17 February 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.

The task to find a compromise between the various approaches was assigned to Pierre Werner, even though he was clearly an exponent of the monetary line. Thus, a committee was set up in March 1970 with the explicit mandate to work towards the realisation of monetary union within ten years.

Given that the Cabinet had changed its stance, it was logical that the Netherlands also participated, albeit after some initial hesitation on the part of the Finance Ministry. The professional experts in the ministry were adamant that as long as the underlying problems of imbalances between national economies were not resolved, monetary integration held great risks. Given the reservations still circulating in the corridors of the Finance Ministry and differences of opinion over monetary policy in the Cabinet, it was logical that the Dutch representative in the new Werner Committee would not come from the ranks of the Finance Ministry but had to be recruited elsewhere. As Foreign Affairs was considered too pro-European, the choice settled on the Secretary-General of the Ministry of Economic Affairs, Gerard Brouwers, one of the members of the governmental Coordination Committee on European Integration and Association Problems. Meanwhile, Foreign Minister Luns applauded the choice of Pierre Werner as chairman of the special ad hoc committee. Brouwers received very specific instructions: monetary cooperation would have to be conditional on establishing a proper instrument for the coordination of economic policies between the participating nations. In the Dutch view, this was linked to political developments: successful monetary integration — and subsequently monetary union — could only follow on from prior economic integration and the achievement of political unification. Indeed, Brouwers asserted that monetary cooperation was an essential step towards economic integration. At the Ministry of Economic Affairs, the combination of these two goals was perceived to be an even greater challenge than agreeing on the Treaty of Rome in 1957, and thus a heavy responsibility.

Against these backgrounds Brouwers' role in the Werner Committee was confined to be secondary. It was not surprising that Pierre Werner commented on the apparent lack of commitment to the Netherlands Ambassador to Luxembourg. It was to no avail. The new Dutch stance, voiced by Brouwers, became that economic integration must precede monetary integration, as the Schiller Plan also proposed. At the Ministry of Finance, Witteveen was adamant about this. In collusion with the Germans, he held that a full economic and monetary union must be the final step in an integration process that would require political unification first. The upper echelons of the Finance Ministry, where support for monetary integration was still only lukewarm, soon came round to this idea. The new Treasurer, Willem Drees Jr — appointed in November 1969 — was among those who hoped to use the discussions on monetary cooperation to further the idea of political integration of the Community, one of the long-term goals of Dutch EEC policy. It was subsequently decided in an interdepartmental meeting in Brouwers' office at the Ministry of Economic Affairs that the core of the arguments he would put forward in the Werner Committee would come from the Finance Ministry. This also implied a direct connection between monetary and political developments, something the Finance Ministry felt strongly about but which the Ministry of Foreign Affairs would have liked to circumvent. Foreign Affairs remained cautious and preferred a step-by-step approach, a course that found support in the Netherlands Central Bank. Because of such underlying differences, Brouwers was left with no option but to voice a reluctance to move forward on the monetary plans in the Werner Committee, a reservation which was also communicated to Pierre Werner.

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29 Office memorandum from the Ministry of Economic Affairs, 13 March 1970: NA, 2.06.120, Archive Secretary General of Economic Affairs, inv. No. 29.

30 Coded message from Quarles van Ufford to the Minister for Foreign Affairs, 31 March 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 128.
33 Report on the meeting at Brouwers' office, 26 March 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.
in a discussion with the Netherlands Ambassador to Luxembourg, Bryan Quarles van Ufford.\textsuperscript{35}

Obviously, conditions in The Hague meant that the Netherlands would not play a prominent role within the Werner Committee. At home, the Finance Ministry made sure it continued as the dominant force. Witteveen himself handed an extensive memorandum which chalked the lines on the grass to his colleagues Joseph Luns in Foreign Affairs and Roelof Nelissen in Economic Affairs.\textsuperscript{36} Later that day a Benelux meeting of Finance Ministers and heads of the central banks took place in Brussels at which Witteveen repeated the position he and his ministry were taking on the issue: without clearly defined political instruments of control, monetary integration would not be successful. Brouwers agreed, but contended that the basic position remained that the Netherlands actually did not want monetary union. Werner, present at the meeting, agreed on the difficulties ahead, yet insisted that in the initial phases political needs not take precedence over monetary coordination.\textsuperscript{37} In a meeting of the Monetary Committee on 27 April, Treasurer Drees Jr again explicitly voiced the Dutch belief that cooperation in the monetary field must result in the final goal of a single currency and a single central bank. Failing this, the risk would remain that exchange rate fluctuations could be forced upon the Member States. The Vice-President of the Bundesbank, Otmar Emminger, supported this. He felt that the Werner Group should explicitly investigate the creation of a single currency as the end result of the process of monetary cooperation, for which he also thought some form of supranational federation would be necessary. To bring this about, coordination of economic policies was, he believed, paramount.\textsuperscript{38}

So monetary integration was and remained conditional on a political union in the Dutch view.\textsuperscript{39} Hence there were significant reservations in The Hague about the first interim report by the Werner Committee, the content of which did not go into the perceived central policy goal of political integration.\textsuperscript{40} This reservation was for a considerable part rooted in fears at the Ministry of Foreign Affairs that outright support for the interim report might have repercussions for the ongoing talks on British accession to the EEC – fears that were, however, not shared at the Finance Ministry.\textsuperscript{41} Very subtly The Hague tried to stall progress in the Werner Committee by insisting on various clarifications while the thinking on the requirements for monetary union continued.\textsuperscript{42} This suited the Netherlands Central Bank, which held that it was preferable to limit movement on monetary cooperation to a relative but flexible tie between exchange rates that would not entail real economic and monetary consequences.\textsuperscript{43} Even this met with scepticism and anxiety at the Finance Ministry, where it was now believed that all movement should be made dependent upon coordination of economic policy between the Member States.\textsuperscript{44} In the course of further discussions within the Werner Committee, and against the backdrop of the talks on British membership of the EEC, this Dutch position was gradually diluted to mean that a central coordinating body was desired that would regulate budget policies of the Member States, supported by an independent central bank.\textsuperscript{45}

In October 1970 the final report of the Werner Committee voiced these desires, although with much reduced emphasis. Werner hoped to garner support by calling for an informal meeting of Finance Ministers in Luxembourg on 9 November, ahead of any formal reaction from the European Commission. Witteveen was very much opposed to this, as it would preclude an open discussion in the EEC Council of Ministers later on.\textsuperscript{46} The meeting never took place. All the same, The Hague finally

\textsuperscript{35} Coded message from the Netherlands Ambassador to Luxembourg to the Minister for Foreign Affairs, 31 March 1970: http://resources.knaw.nl/europeesintegratie/index.html.en [S01935].

\textsuperscript{36} Office memorandum from Ruding to the Treasurer, 2 April 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.

\textsuperscript{37} Report by Drees of conversations in Brussels on 2 April 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.

\textsuperscript{38} Minutes of the 12th meeting of the Monetary Committee of the EEC, 27 April 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 96.

\textsuperscript{39} Note from the Treasury (Netherlands Ministry of Finance), 31 March 1970: http://resources.knaw.nl/europeesintegratie/index.html.en [S02078].

\textsuperscript{40} Conclusions of the Netherlands Policy Coordination Commission on European Integration and Association Problems, 2 June 1970: http://resources.knaw.nl/europeesintegratie/index.html.en [S01935].

\textsuperscript{41} Office memorandum for Minister Witteveen, 4 June 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.

\textsuperscript{42} Confidential report on the 7th meeting of the Werner Committee, 7 July 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.

\textsuperscript{43} Office memorandum from the Finance Ministry to Minister Witteveen, 28 August 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 96.

\textsuperscript{44} Memorandum from A.W.R. Makay (Netherlands Central Bank) to the Treasurer, 28 August 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 96.

\textsuperscript{45} Note from Gerard Brouwers to the Werner Group, 17 July 1970: http://resources.knaw.nl/europeesintegratie/index.html.en [S02285].

\textsuperscript{46} Letters from Witteveen to Werner, Giscard d'Estaing, Ferrari Aggradi, Sney et d'Opuers, and Schiller, 26 October 1970: NA, 2.08.51, Ministry of Finance, Directorate for Foreign Payments, inv. No. 103.
Le rapport Werner et les milieux industriels italiens

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Le but de cette contribution est de rendre compte des opinions des milieux industriels italiens sur les travaux du comité Werner et de leurs réactions au rapport final concernant le projet de création de la monnaie unique européenne. Celles-ci montrent que les milieux industriels italiens souhaitent la réussite du processus d'intégration monétaire entre les pays de la Communauté économique européenne (CEE) : ils soulignent en effet les nombreux avantages d'une monnaie unique pour le développement, mais aussi les problèmes qu'engendrerait une intégration monétaire qui ne serait pas suivie d'une intégration politique ou, au moins, d'une harmonisation effective des politiques économiques et fiscales des États membres. Cette contribution entend mettre en évidence les commentaires positifs des milieux industriels italiens face au projet de monnaie unique du rapport Werner mais aussi les doutes qu'ils expriment sur l'avenir de l'intégration européenne. En effet, ils estiment impossible la création d'une véritable Europe communautaire sans une réelle intégration monétaire et économique comprenant aussi la libre circulation des travailleurs et des capitaux. De plus, ils ne sont pas certains que sera respecté le timing du processus prévu par le plan Werner (qui doit aboutir en 1980) et, surtout, sont partiellement déçus par le compromis final qui laisse dans le flou des points considérés par eux-mêmes comme très importants (tels que les modalités à suivre pour harmoniser et puis unifier les politiques monétaires).

Les sources utilisées sont constituées de documents présents au sein des archives familiales Pierre Werner et d'articles publiés dans Il Sole 24 Ore (le plus important journal économique et financier italien exprimant les opinions des dirigeants de Confindustria, l'organisation nationale des industriels italiens) et L'industria Lombarda (l'hebdomadaire publié par Assolombarda, l'association des entrepreneurs milanais, c'est-à-dire du