

PART ONE

Post-1944 Monetary Co-operation

INTRODUCTION

European monetary integration has come to mean considerably more than the creation of a European currency. The current plans for such integration call for harmonisation, for economic co-ordination, and for supranationality in the Community, involving not only a movement towards a complete economic union, but also a movement towards political unity. The main purpose of the latter part of this study is to examine the proposals for monetary integration, and to discuss their consequences, particularly from the viewpoint of Britain as a possible future member of the Community.

Although one is overawed by the volume of recent activity concerning monetary integration, it is important to view such activity in true perspective. Recent events represent no more than the climax of a process of monetary integration that had its origins in the early post-war economy, with a series of intra-European trade and payments schemes. The first part of our study therefore, if it is to present monetary integration in its entirety, must begin with an historical survey of monetary co-operation in Europe to 1968. Part One hence includes three chapters: the first covers European monetary co-operation to 1950, the second covers the highly successful European Payments Union, and the third traces the liberalisation of trade within the framework of both the Organisation for European

Economic Co-operation and the European Economic Community.

Those readers who are interested in the present and the future, with little regard for the past, should pass straightway to Part Two of the book.