

societies, the present financial crisis has, in a sense, served to expose a deep moral malaise; the concentration of wealth and power in the hands of a few; the lack of accountability and transparency in both the economic and political spheres; and widespread corruption and cronyism.

It is our sacred duty, as citizens of Southeast and Northeast Asia, to overcome these and other challenges in our societies. At the same time, however, we are acutely aware of the global dimension of the financial crisis that confronts us. It is this dimension that we expect the ASEM Summit to address—for the sake of our people.

Signatories:

- Mr. Adi Sasono, president, Center for Development Studies, Indonesia
- Mr. Ahmad Azam Abdul Rahman, president, Malaysian Muslim Youth Movement (ABIM), Malaysia
- Dr. Amien Rais, president, Muhammadiyah Movement of Indonesia, Indonesia
- Mr. Amidi bin Hj. Abdul Manan, president, Association of Muslim Students (PKPIM), Malaysia
- Dr. Chaiwat Satha-Anand, Peace Information Center, Faculty of Political Science, Thammasat University, Thailand
- Prof. Chandra Muzaffar, president, International Movement for a Just World (JUST), Malaysia
- Mr. Charles Hector Fernandez, president, Society for Christian Reflection, Malaysia
- The Hon. Ms. Delgermaa Banzragchiin, chairman, Subcommittee on Human Rights, Member of the State Great Hural (Parliament), Mongolia
- His Excellency Bishop Julio Xavier L. Labayan, executive chairperson, Socio-Pastoral Institute, Philippines
- Prof. Kinhide Mushakoji, secretary general, International Movement Against Discrimination and Racism (IMADR), Japan, and member of the International Advisory Board, JUST
- Mr. Loka Ng Sai Kai, president, Young Buddhist Association of Malaysia, Malaysia
- Dr. Mina M. Ramirez, president, Asian Social Institute, Graduate School of Economics, Sociology, and Social Work, Philippines
- Prof. Makoto Katusumata, director, International Peace Research Institute, Meiji-Gakuin University, Japan
- Mr. Michael O. Mastura, president, Islamic Welfare Society of the Philippines, Philippines
- Prof. Sangjin Han, Department of Sociology, Seoul National University, South Korea, and coordinator, Friends Group of Korea, JUST
- Mr. Sulak Sivaraksa, president, Santi Pracha Dhamma Institute, Thailand
- Prof. Tian Jin, executive member, United Nations Association, People's Republic of China
- Mr. Vaithilingam, president, Malaysian Hindu Sangam, Malaysia

The 'New Europe' is not quite a union

by Rainer Apel

The ship has not even weighed anchor to leave port, as fist fights erupt among the crew and the officers—fights about basically everything: the route, the speed, and who should be captain. After hours of exhausting wrangling, the only agreement that can be reached, is to weigh anchor.

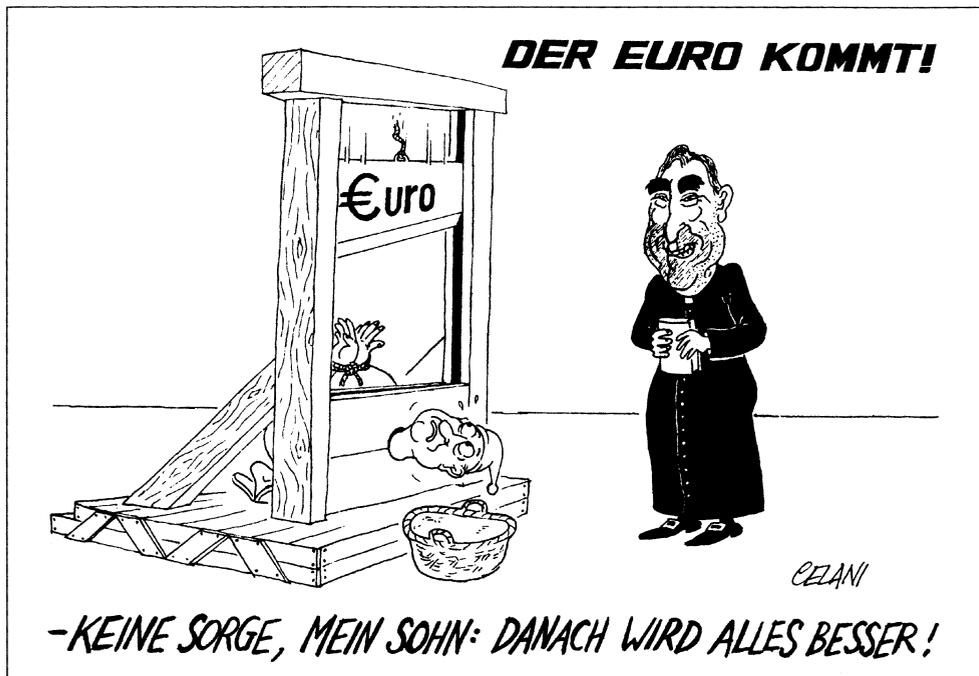
A script for a new movie, something like *Titanic II*? No, it's reality; it happened in Brussels, at the summit of the European Union (EU) governments on May 2-3. Not all the inside facts are known, but all the leaks and reports from the talks converge on the one crucial fact, that, instead of setting an example for the unity of Europe under the European Monetary Union (EMU), the summit turned into pandemonium.

The first governor of the ECB

The lack of agreement became apparent, when the heads of government and their finance ministers convened for the summit luncheon on May 2. The most important issues had already been decided beforehand: the official start-up date of the EMU, on Jan. 1, 1999; its initial member-states, of which there will be 11; and the establishment of the European Central Bank (ECB), on July 1, 1998. But, a fight over a seemingly secondary issue, namely, who should be the first governor of the ECB, caused the meeting to explode.

Granted, it had been known that the French opposed the generally agreed upon nomination of former Dutch Central Bank Governor Wim Duisenberg to head the ECB. France's President Jacques Chirac had proposed his own candidate, French central bank Governor Jean-Claude Trichet. But, the other EU leaders did not take the French seriously. The French would back down, as they have always done, the German delegation, led by Chancellor Helmut Kohl, assumed. The French would complain for a while, but otherwise, everybody would enjoy the luncheon, and after two hours or so, everybody would fly home. Kohl and German Finance Minister Theo Waigel had already checked out of their hotel rooms, before they drove to the luncheon.

But, the French did not back down that easily, and the meal did not proceed in harmony. Nor did it last only two hours: It dragged on for 11 hours. And, in the end, a "compromise" was apparently reached on the ECB, on the nature of which each participant gave a different account. Nominally, it had been agreed that Duisenberg would be first governor of the new ECB, and that Trichet would follow him on that job, and that the transfer of chairs would occur some time mid-



A view from the German newspaper Neue Solidarität: "The euro is coming!" German Finance Minister Theo Waigel proclaims: "Don't worry, my son; everything will be better afterwards!"

term: Duisenberg would serve about four years, and Trichet would then replace him for a full term of eight years. There was no written document to that effect, however, and the puzzled media learned at the various midnight press conferences after the session, that there was no such document, because "it is not a habit to write protocols of luncheons, which are just informal gatherings," as one luncheon participant put it.

No less puzzling were remarks at a press conference by Duisenberg himself, when he said that before the end of the full, official eight-year term, he would retire, for "personal reasons." He would do so, however, he added, only on his "own decision," a formulation which he repeated three times during his three-minute statement. The absurdity of this statement provoked laughter among the press — most of whom had been waiting for 11 hours, and now this. Making things even worse, President Chirac indignantly scolded reporters, "Do not laugh!"

This did not succeed in calming down the journalists, naturally, and when French Finance Minister Dominique Strauss-Kahn held his own press conference, he was jeered from the floor, when the press asked him, "How is anyone supposed to believe these lies?"

Massive dissension

Rarely has a summit ended in such a turmoil, rarely have political leaders enraged the press to such an extent, and, rarely, too, has a united propaganda front of participating governments disintegrated so rapidly. Leaks to the media after the summit, documented that the meeting had been on the brink of total failure throughout its entire 11 hours. Not only was there dissension between delegations, but even

within the delegations themselves.

For example, in the German delegation: Beginning with leaks from the British Reuters news agency on May 3, which were corroborated by other reports in the German press, it became apparent that Chancellor Kohl did not want to listen to some of his advisers who told him to back down to the French at an early point, because he would have to back down eventually, and this way, he could avoid a long, unproductive meeting. Kohl characterized the warnings of these advisers as "rubbish." He called in other advisers who backed his views, whose "expertise" then locked him in there for the next 11 hours. Kohl was close to letting the summit blow apart. He told the press afterwards, that this summit had been "some of the most difficult hours ever experienced. . . . There were many moments when I was not sure if we would get an agreement. There were some critical moments."

From many other reports, it has become evident, that not only "some moments," not only the ECB issue, but the entire summit exposed deep disorientation and discord among the EU governments over future EMU policies. As *EIR* reported last week, *Der Spiegel* magazine published an article on the eve of the Brussels summit, which included excerpts from hitherto-classified German government documents showing that Kohl had been forced to agree to the EMU scheme, as the price for German reunification, back in 1989-90. French President François Mitterrand, in particular, wanted the EMU in order to keep a reunified Germany economically and politically contained. Kohl admitted that the EMU was "contrary to Germany's interests," but apparently concluded that he had no choice.

With such clashes now coming into public view, it is a mystery how the new monetary union will be able to function.