

Adm. Saturday 10th Dec 1899

Dear Ursula & Stuart,

I often fancied
a hibernation for the species HUMAN.
We would begin in November and wake
up in April. Would you mind missing
Christmas? Or New Year's eve? It
is 3 o'clock p.m. and I have already
switched on the lamp. Yet another
11 days before daylight will begin to
lengthen our days. The modern (civilised?)
man has eradicated his seasonal life
pattern. Electricity defies nature's darkness.
Producing, performing and growth are the
buzz words. All that can be realised
thanks to electricity.

There is also another method to ban darkness.

You can light a candle. It represents

"togetherness" instead of "efficiency".

The
return
of the
light, new hope, new born values in
one word: "Christmas."

With you both and the boys. a
merry Christmas & and a good
health in the forth coming year.

Floris and Remond will be at ours
during Christmas eve. last year Vera's
mother was also our guest. We shall
miss her. My parents (84 and 82) will
be taken care of by both my brothers.
during the festive days. As yet, we
will stay at home during New Years eve,
since none of the royal families have
invited us. Neither the Hanovers,
nor the House of Orange nor the Grimaldi's.
When Charles of Wales attended the Church
Ceremony of the marriage of the Belgian
Crown prince, he did wear a simple
morning coat instead of the fancy of
a much decorated uniform which other
Crown princes were wearing. Incidentally
why they want to carry all those decorations
without having done anything specific
heroic? They are Carnival princes.

I know, I differ from opinion on the EU
topic, therefore I have to enclose two
clippings from the AMERICAN JH TRIB
Do not avoid the politic on the EU
love also from VERA and I write

Floris in the forth coming New Years eve.

Address

JHT 10 Dec.

Don't Exaggerate 1999 Weakness of Euro

By Reginald Dale
International Herald Tribune

WASHINGTON — There was considerable snide satisfaction, especially among Anglo-Saxons, when Europe's new single currency dipped below parity with the dollar for the first time last week.

British Euro-skeptics held "parity parties" to celebrate the symbolic humiliation of the euro, which has spent most of its first year plummeting against the dollar in foreign exchange markets.

Some Americans chortled at what they saw as confirmation that the euro would fail in its pretensions to rival the mighty dollar as a world currency.

But it is far too early to write the euro's epitaph. The euro will eventually strengthen against the dollar as U.S. growth slows. Even that, however, is not really the point.

The success of a currency does not depend on its price at any one moment, especially in a world of floating rates in which relative values are constantly changing.

The European Union's primary purpose in creating the euro was not, anyway, to compete against the dollar but to further Europe's economic and political integration and complete the EU single market.

Of course there is bound to be competition. The 11-nation euro became the world's second currency overnight, and the euro zone, for instance, now has the world's largest market in government debt, bigger than U.S. Treasury bonds.

But the euro was not introduced with any specific value against the dollar in mind. The European Central Bank has no target exchange rate for the euro, and insists there is no economic reason to worry about its current level.

On the contrary, the weak euro is helping European exports recover from the Asian financial crisis. Regardless of its exchange rate, the euro is creating more efficient capital markets and encouraging mergers that will make European industry stronger and more profitable.

That is not the whole story. Wim Duisenberg, the ECB president, acknowledges that negative "hype" could undermine confidence in the euro. Numerous Germans, he adds, have written to him complaining about the weakness of the euro, compared to the doughty Deutsche mark it has displaced.

It is ironic that Germany, which

insisted above all the other participants on the need for a strong euro, is now the country most responsible for its decline.

A major reason for the euro's recent instability has been erratic policy statements by Gerhard Schroeder, the German chancellor. He has seemed to retreat from free-market principles by resisting hostile foreign takeovers of German industry and by bailing out a big, mismanaged construction company.

Given that his country represents 30 percent of the euro zone economy, Mr. Schroeder's reluctance to allow German industry to restructure should be a cause of much more concern than whether the euro stands at \$1.01 or 99 cents.

The Germans who have written to Mr. Duisenberg are confused. For their purposes, a strong currency should not mean the same as one that is strong against the dollar. It should mean one that keeps its domestic purchasing power. That is not only the main aim of the ECB but one that it has so far achieved.

Usually when a currency falls, inflationary pressures increase as import prices rise. But that is less of a risk with the euro zone, because member countries trade mostly with each other and import relatively little from outside.

It would be more worrying if the euro collapsed: Inflation would begin to rise and investment in the euro zone would be discouraged. But such a collapse is unlikely.

Meanwhile, increased competition in the world economy, and inside the euro zone itself, is helping to keep inflation down. Most of the evidence suggests that a sustainable, low-inflation recovery is taking hold in Europe.

That should normally cause the euro's value to rise, especially as, unlike the United States, the euro zone is running a healthy current account surplus.

But capital is still flowing out of the euro zone faster than it is entering. That is partly the result of Europeans investing abroad as they move their savings out of local banks. It is also because the United States and Japan seem to many investors to provide more attractive opportunities than continental Europe.

There is a widespread feeling that the euro zone has not yet got its economic act together. For that, Germany is largely to blame. Germans should not be complaining to Mr. Duisenberg, but to Mr. Schroeder.

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At a Crossroads for Europe, Federalists Should Proceed Alone

745 912 Dec 99
By Roy Denman

LONDON — Within 10 years the European Union could number up to 30 members. This week in Helsinki an EU summit will launch a constitutional conference to be concluded by the end of next year. The European Commission recommends a wide-ranging agenda. But member states want the conference to limit itself to the number of commissioners, the voting rights of member states, and some modest extension of qualified majority voting. As a means of providing a satisfactory framework for a union of nearly 30 states, a solution as limited as that would be useless. More importantly, a

minimal solution would not even solve the immediate problem, which is that integration is grinding to a halt because of fundamental differences among the present member states. Four EU members have not so far agreed to adopt a single currency. British public opinion is decisively opposed. Britain has vetoed a key step in further economic integration, a withholding tax supported by every other EU member except Luxembourg. This has angered its partners. What is the way forward? A guide is offered by the start of the European adventure.

When Robert Schuman proposed in May 1950 the pooling of coal and steel production and a high authority whose decisions would be binding, the British were alarmed by the prospect of supranationality. They sought to water down the plan. Jean Monnet went to London and insisted that the principle of supranationality be accepted before the drafting began. But, as he wrote in his memoirs: "Britain had not been defeated or occupied. She saw no need to exorcise the past." When Stafford Cripps, the chancellor of the Exchequer, asked whether France would go

ahead with Germany and without Britain, Monnet replied: "I hope with all my heart that you will join us from the start. But if you don't, we shall go ahead without you. And I'm sure that, because you are realists, you will adjust to the facts when you see we have succeeded." That is what happened. Britain refused to accept the principles of the French plan. The Coal and Steel Community and then the European Communities turned out to be a great success. Twenty-three years later, Britain joined. What is needed today is a similar approach. The member states soon to be engaged in shaping the European Union's future should be asked whether they accept in advance two principles.

The first is that the ultimate aim should be a European federation. The second is that all decisions, including those on taxation, should be made by qualified majority vote. Those countries not prepared to accept would save themselves and the others much bother by staying away. This by no means implies any hostility to those who contract out. Britain, Sweden and Denmark have every right to their own vision of Europe and not to be forced into another mold.

Their commercial interests could be protected by trade treaties like the one Norway has with the EU. But a minority has no right to hold up the majority if the latter want to go further and faster. The result would be a two-tier Europe. An inner core would be composed of states resolved to make the progress from economic to political union. Those states not willing or able to go so far would simply have a free trade relationship with the center. Who could launch this initiative? It has to be France. France is historically at the center of Europe. It was a French foreign minister who went to London in March 1936 to plead unsuccessfully with the British to join them in marching into the Rhineland, crushing Hitler and saving the world from war. It was a French president of the European Commission who masterminded the launch of the European currency. The future of Europe now depends on France exercising the leadership which it has shown in the past. The writer, a former representative of the European Commission in Washington, contributed this comment to the International Herald Tribune.

Unification of Korea Is Deferred

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