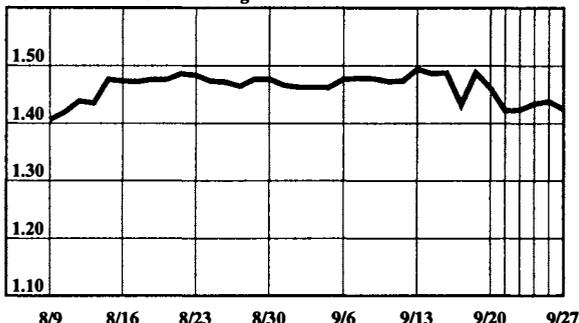


Currency Rates

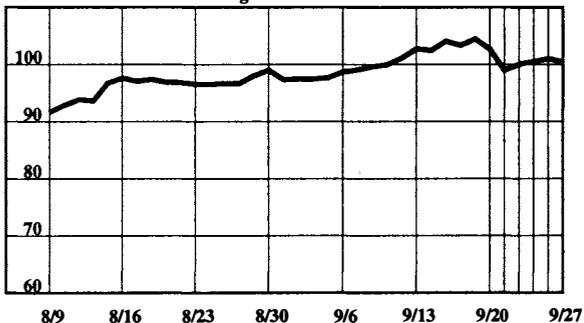
The dollar in deutschemarks

New York late afternoon fixing



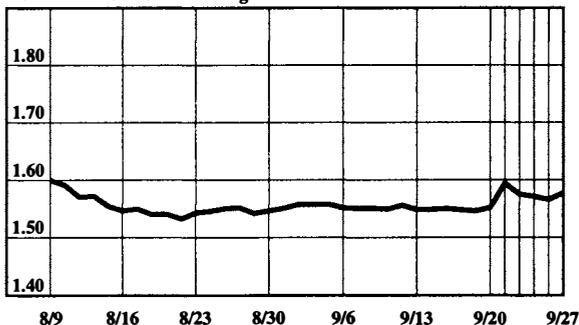
The dollar in yen

New York late afternoon fixing



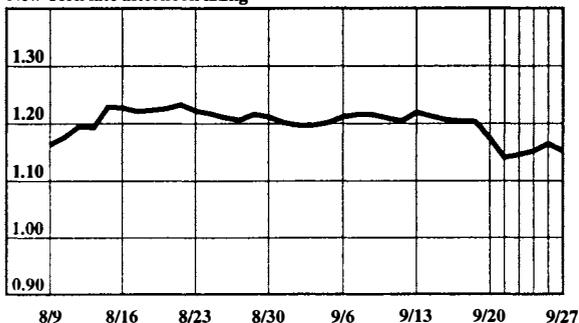
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Maastricht

Single currency dream becomes a nightmare

by William Engdahl

The Mallorca, Spain summit of the 15 European Union (EU) heads of State concluded on Sept. 23 with a declaration that their goal of creating a single monetary union and single currency of the member-states by the deadline of 1999 was intact. But behind the façade of unity, the four-year-old scheme to merge national currencies for economies as diverse as Germany and Italy, into one, began visibly to come unravelled.

For the first time since the signing of the Maastricht Treaty to create a European Monetary Union (EMU) in 1991, an EU head of state has declared that the deadline may have to be extended. Italy's Prime Minister Lamberto Dini told press after the talks, "We can't exclude the possibility of delaying the union by two or three years." According to EU bureaucrats in Brussels and others familiar with the situation, this would "open a Pandora's box" to amending the strict terms of the Maastricht Treaty, and end the prospect of a single Europe, along with a single currency, whatever its name.

It has been the German government, long thought the firmest advocate of Maastricht and a single currency, which has torpedoed the plan. On Sept. 26, Bundesbank President Hans Tietmeyer announced that the Bundesbank, known as a hard-liner on inflation and government deficit spending, would declare which EU governments it felt had met the criteria to form the new currency. In recent months, there has been enormous, if little-publicized anti-Maastricht sentiment among German businessmen and voters. The head of the Bavarian Christian Social Union, part of the Bonn coalition of Chancellor Helmut Kohl, has threatened to split from the coalition and form a new "Deutschemark Party" if the government does not back down from the Maastricht terms, which, it is felt, would destroy the mark and wipe out German savings.

The recent statements by Tietmeyer and other German officials have produced anger, not least in France, where Prime Minister Alain Juppé told press, "If you do not want to have monetary union, all you would have to do is harden the tone." That is precisely what the Kohl government is doing.

The timetable to realize a single currency was agreed to in a treaty outlined at the meeting of EU heads of State on Dec. 10, 1991 in Maastricht, Holland. At that time, the leaders agreed on a series of steps, so-called "convergence criteria," to be met in the run-up to 1997, when the so-called "third phase" of the EMU would be created, with a single