

Free the 'Munich Seven'

As usual, the West's leaders accomplished little at the economic summit, argues Josef Joffe. They should go to more working funerals instead

It started with Gerhard the hairdresser, and it went downhill from there. Which is a strange way for a summit to go. Gerhard, coiffeur to the great and glitzy, and a score of other Munich businessmen were not going to take a hit on their cash registers just because George Bush and his G-7 cronies were in town. So they tried to slap an injunction on the city which—security *über alles*—was about to declare much of downtown Munich off limits to the common *volk*.

Gerhard even offered to do Barbara Bush and Hannelore Kohl for free if the blockade were lifted, but the answer was absolutely *nein*. Some 10,000 policemen and border guards, enough to clear Sarajevo airport and send the Serbs packing, proceeded to occupy the area around the Residenz Palace, the former home of Mad King Ludwig and the site of this year's Group of Seven summit.

Gerhard got his revenge. While German Chancellor Helmut Kohl and friends were lunching nearby, several hundred demonstrators tried to express their opinion about the summit with boos and whistles. This was not a very articulate message, which is why the countersummitteers were sent directly to jail. Perhaps the local riot squads had received only summary instruction in the finer points of freedom of speech and assembly.

They were given an in-depth lesson later in the day when a city judge sprang all of the "Munich 500" from their holding pens.

There was no judge, however, to liberate the "Munich Seven" from their incarceration in a ritual that has become about as productive as a day in Congress. Or on Ross Perot's platform committee. Back in 1975, after the great OPEC oil sheik-down, the idea of assembling the leaders of the world's biggest industrial democracies for an annual powwow was irresistible. The 1973 oil shock had left a swath of stagflation in its wake. So why not come together to coordinate economic policies for the betterment of all humanity?

The Sinatra summit. The idea of holding annual economic summits did not go straight to the hell of good intentions; it spawned earnest attempts to spur growth and curb protectionism. But then the iron law of summitry set in: the more cameras, the less action. Munich, the 18th of these global talk shows, has been the most conspicuous failure of them all.

The winner this time was neither Bush nor Kohl, neither France's François Mitterrand nor Britain's John Major, but Frank Sinatra, as London's *Financial Times* snickered. Instead of harmonizing their economic policies, the biggest of the Big Seven went away humming: "I'll do it my way."

The United States, stuck in a recession, is putting its money

on easy money in this election season—with the lowest discount rate in 29 years. But while the Federal Reserve stomps on the accelerator, the Germans, stuck with a growing federal deficit that would make Ronald Reagan proud, are keeping their foot planted on the monetary brakes. This has produced a 6 percent interest-rate spread between the United States and Germany, not exactly a sterling example of "coordination." As towering German interest rates suck in foreign capital to cover the gargantuan cost of reunification, bottoming American rates are driving the dollar into the ground.

The Japanese? Washington has been pressing them to pump up domestic demand, but whether and when are questions Tokyo will—so sorry—decide for itself. Liberalizing world trade? The current round of the General Agreement on Tariffs and Trade has failed to do this for six years, but the G-7 decided to wait yet a bit longer. GATT, the best hope for global growth, has become a General Agreement to Talk and Talk.

Although they could not agree on how to help themselves, the summitteers did agree to help Boris Yeltsin. When he crashed their dinner party a day ahead of schedule, the Seven put another plate on the table. They graciously threw in a billion dollars' worth of aid but drew the line at paying Yeltsin's

hotel bill of \$400 a night—three times his monthly salary.

The time has come to abolish economic summits in favor of sending the West's leaders to more working funerals. Nothing ever gets decided at these summits: The "sherpas" write all the communiqués months in advance, and there is nothing for their bosses to do but jockey for position in front of the cameras. Descending on cozy medieval towns like Munich trailing hundreds of retainers and thousands of journalists, they rile the good burghers with an ostentatious display of self-importance not merited by any actual accomplishments.

Consider the advantages of a working funeral—as in the days when the demise of various Soviet leaders made for a quick succession of impromptu summits. First, there is no time to prepare for them, so leaders have no choice but to think for themselves. Second, the presence of a deceased colleague tends to discourage jostling for place of pride. Third, the gravity of the occasion encourages serious discussion, and because no communiqué is necessary, leaders are able to focus on the essentials. Finally, the short duration of the event further concentrates their minds.

Concentrate they must. The world is beginning to look like it did in the 1920s, when protectionism and egotistical national policies conspired to bring us the Great Depression. ■



Sound and fury. Bush and Kohl march in Munich.

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