Summits or talk shops?



By T K JAYARAMAN

he year 2009 is the year of summits.

The venues have been changing. From Philadelphia in

June, Istanbul in October, June, Istanbul in Octobe and St Andrews and Singapore, both in November. This week in Rome, there was a World Food Summit too.

The mother of all 2009 summits will be on climate change, which is scheduled in December in Comenhagen

scheduled in December in Copenhagen.

The law of diminishing marginal utility applies to summits too.

A cynic has already

termed, Asia Facine Economic Cooperation (APEC) Summits discuss everything under the sun, but decide nothing!"

Sanitised Communique

The leaders at the latest Singapore APEC Summit said they would work towards an 'ambitious outcome' in

Copenhagen.
French Philosopher,
François Marie Arouet de
Voltaire, wrote, "One great
use of words is to hide our
thoughts."

The final communiqué at APEC went one ster

ahead.
They deleted what they wrote in their draft.
They dropped a target to halve greenhouse gas emissions by 2050, which was outlined in an earlier draft.
The reference to market-oriented exchange

'market-oriented exchange rates' also disappeared. That was also to please China, the biggest creditor

States.

States.
Since yuan is pegged to the US dollar, depreciation of the US dollar in recent months also led to depreciation of yuan visother currencies. That made APEC also.

uncomfortable, as Chinese

exports to them also rose

to America.

The earlier draft, agreed to by finance ministers of APEC's 21 members, wanted the exchange rate to 'reflect



Art of the possible
On Saturday, flying into
Singapore, US President,
Barack Obama, made a
very conciliatory speech,
using to the fullest extent,
his charm and skills of
persuasion.
In Japan, he made it
clear that his trip to Asia
was to strive towards 'rebalancing world growth
with greater consumption
in China and greater
savings in the US.
That relation with
China has reached the
inflection points in

'inflection points in inflection points in history where we have the opportunity to take a different path.

China is growing in financial power.

Chinese economy is 33 percent of America's compared with 12 percent.

compared with 12 percent in 1990s. That was the

reason behind replacing the exclusive rich club of G-8 with the more inclusive G-20 as the permanent body of economic cooperation.

Obama stressed that the US does not want to contain China but wanted China to grow and be prosperous.

Did not Voltaire advise statesmen: "It is not enough to conquer; one must learn to seduce."

The hardnosed communist China will not

fall an easy prey.

They know that a debtor when approaching his banker cannot afford

to carry a stick. With America's budget deficit soaring to a yearly record of \$1.42 trillion, China the biggest lender is worried that the falling

Help us to help

price of the dollar reduces the value of its U.S. holdings. On the other hand, American manufacturers are angry that the low yuan resulted in loss of 5.6 million jobs. China wants UIS to

China wants US to arrest the fall in US dollar value to ensure its US \$797 billion (FJ\$159b) investment in US treasury bills safe and sound.

Usual assurances On Tuesday, both presidents assured the world that they would work together for economic recovery and are looking for a comprehensive deal in December Climate

Summit.
Differences persisted:
China wanted the US to
lift tariffs on Chinese car tyres and steel tubes; the US wanted an exchange rate to upvalue its

rate to upvalue its currency.
With economic topics 'settled,' they will shift to Copenhagen.
Robert Kagan, of Carnegie Endowment for International Peace, wrote in his 2003 Of Paradise and Power America and In his 2005 of Paradise and Devoyer. America and Europe in the New World Order: "On major strategic and international questions today, Americans are from Mars and Europeans are from Venus

They agree on little and understand one another less and less."

Iess and Iess."

If nothing gets done beyond usual assurances, Kegan in his next edition would add 'Chinese from Moon' to the list.

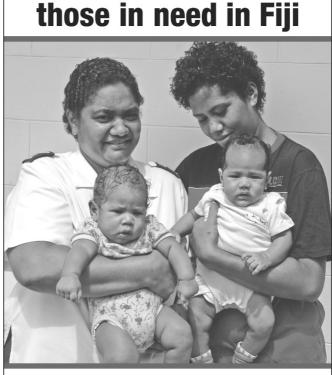
Dr Jayaraman teaches at USP. Views expressed do not reflect those of USP and this



Entry form available from any FDB branch, sponsor locations or download from www.fdb.com.fj or call 3314866 ext 218

Entries close 18th December 2009

PROUDLY SPONSORED BY:





Please give generously to the **Salvation Army Street Appeal** November 27-28

Fiji SUN Razor movingpictures mai





SFintel connect ⊕