

1 For all Europe's contemporary gloom, the continent's leaders yesterday
2 showed that they have a residual ability to stand together - when they
3 really have to. The first-ever EU president, Herman Van Rompuy, was
4 hoping to use this week's brief Brussels get-together to lift sullen
5 spirits, and persuade the club, which has just passed a decade
6 expending every last joule of energy on rewriting its rules, to look
7 outward and forward, and plot a path to a future in which Europe can
8 carry its full measure of clout.

9 Alas, it did not quite pan out that way, but it was hardly going to in
10 the midst of the most serious turbulence yet to befall the continent's
11 currency. The Greek strain of flu in the bond markets threatens to
12 mutate into a Spanish and even an Italian strain, with the potential
13 to finish the euro. National leaders devised only the merest outlines
14 of a remedy, but they at least recognised that the eurozone might
15 well, eventually, stand or fall as one. The outcome, however, was a
16 fuzzy declaration of readiness to take "determined and co-ordinated
17 action" if required, which in practice would most likely involve Paris
18 and Berlin underwriting some Athenian debt in return for additional
19 austerities.

20 It proved insufficient to steady jittery markets, because resolve to
21 act is not the same as action itself. Next week's meeting of finance
22 ministers could come unstuck over the detail of what those in trouble
23 will be expected to cut, and what form of support they will get. The
24 Germans, who have always harboured deep fears that the euro is a
25 device to allow profligate neighbours to free-ride on the strength of
26 the old mark, will expect their government to see to it that any
27 medicine is sufficiently bitter to ensure that it will not be taken
28 lightly. The Greeks - who are often far keener on spending state
29 budgets than paying their taxes - will be at pains to insist that
30 economics, like politics, should be an art of the possible. The
31 haggling will not be pretty.

32 In a fractious world, though, swift transnational decisions - even in
33 the face of an emergency - are hard to come by. In comparison with the
34 stalled trade round, and the climate chaos left at Copenhagen,
35 yesterday's nudge in the direction of a deal ranks as a positive
36 achievement. Truly co-ordinated action could still prove beyond the
37 EU, but at least yesterday's statement gives a reasonable sense of
38 what such action would involve. After yesterday, it is at least still
39 possible that Europe will protect itself rather than passively await
40 the arrival of Washington in the form of the IMF.

41 There seems no prospect of Europe, any time soon, forging a positive
42 future in a spirit of solidarity. But it just might muster a little of
43 that to protect its currency, at a moment when European backs are
44 against the wall.