

Transcription of the interview with Edmond Israel (Luxembourg, 27 August 2010)

Caption: Transcription of the interview with Edmond Israel, carried out by the Centre Virtuel de la Connaissance sur l'Europe (CVCE) on 27 August 2010 at the Clearstream Head Office in Luxembourg City. The interview was conducted by Elena Danescu, a Researcher at the CVCE, and particularly focuses on the following subjects: the personality of Pierre Werner and his role in the creation of the country's international financial centre and in the satellite project in Luxembourg, the role of Henriette Werner-Pescatore, the role of the Luxembourg Stock Exchange in the establishment of Economic and Monetary Union, and the role of Clearstream as a driving force for intercontinental cooperation within the international financial centre.

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Transcription of the interview with Edmond Israel (Luxembourg, 27 August 2010) — full version

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I. Edmond Israel on the personality of Pierre Werner and his role in the creation of the international financial centre and the satellite project in Luxembourg

[Elena Danescu]: Today, 27 August 2010, Mr Edmond Israel, Honorary President of Clearstream International, has kindly welcomed us to his office for a talk as part of our research file on the contribution of Pierre Werner to European integration. Hello, Mr Israel.

[Edmond Israel]: Hello.

[Elena Danescu]: You are a world-famous banker, one of the people to have initiated the Luxembourg financial market, an architect of consensus and dialogue between cultures, civilisations and faiths. If you will, I should like to start by asking when you first met Pierre Werner and how your relations subsequently evolved.

[Edmond Israel]: Well, I should start by saying that I very much appreciate the opportunity to discuss my memories and certain key facts in Pierre Werner’s exceptional career. I’m grateful to you for calling on me, alongside other public figures. I should say that before actually meeting Mr Werner, I had already seen him in the press, read about him and, much as everyone else, I was very impressed by him. So why was I impressed? Well, that I shall perhaps explain to you while answering your other questions. But I do think that the reason why he was a major inspiration in my career, in the way I exercised my profession, was that he set an example for me, much as for an almost unlimited number of people all over the world. Not just in Europe but all over the world.

[Elena Danescu]: As we said before, you are a world-famous Luxembourg banker. In your memoirs, you write: ‘The Luxembourg financial market did not descend from heaven by some miracle. Nor was it created by a single stroke of a magic wand.’ What were the main factors in favour of an international financial market in Luxembourg, which you did a great deal to set up?

[Edmond Israel]: Well, it has to be said that a financial market in a very small country such as Luxembourg, albeit well placed at the crossroads of the various currents in European civilisation, could not come about of its own accord. It can only happen if on the one hand the — how should I

put it — legislative, regulatory provisions have already been prepared, if not actually implemented, and if on the other hand, the market conditions, the conditions surrounding a new business, are fulfilled. It happened in Luxembourg thanks, primarily, to the groundwork done by Pierre Werner at the beginning of his career and which ... being a visionary, he never said so, he never bragged, that was why Werner was a great man. His was the grandeur of true statesmen and heaven knows there are not many of them in the world. So his greatness ... he was modest, giving the appearance of being timid, but he was a visionary, very cultivated, and he had the foresight to create the conditions enabling a financial market one day to take shape in Luxembourg. So when the time was ripe — and I'm getting to that point — when the time was ripe, I believe that a great deal of the groundwork had already been done thanks to Werner.

[Elena Danescu]: The question seems relevant because in his memoirs, Pierre Werner explains that witnessing the shift from the franc to the Reichsmark, then from the Reichsmark to the new, post-Liberation franc, made him realise that the idea of a transition from one currency to another was not impossible. That is why that I raised the question.

[Edmond Israel]: Yes, that was part of Mr Werner's grandeur. I haven't touched on it until now, but certainly when he started his career in banking at the end of — I don't recall — in early 1946 ... he began not as a member of the cabinet but as a senior Luxembourg government official, and I was just a minor employee. And there was ... it was only later that certain similarities, not regarding our respective positions but at least in our careers, gave me the opportunity to meet Pierre Werner quite often and to talk with him. At the time I was the member of staff tasked with drawing up lists and he was the one who had the idea and realised, as you just said, that on the basis of what we were doing — namely the transition between the Reichsmark and the Luxembourg franc — we could gain experience for changes which occurred later.

[Elena Danescu]: When the Euromarket was set up in Luxembourg, what work did you do with Pierre Werner, who was Prime Minister and Finance Minister at the time, and with other leading figures in politics and business in Luxembourg?

[Edmond Israel]: At my level, it was not a matter of the Prime Minister working with a young banker, but quite simply meetings, although it was slightly more than just meetings because I sometimes had requests which I submitted to him in order to facilitate the operations which were beginning to be entrusted to Luxembourg. I must say that the response by Pierre Werner was extremely helpful, extremely positive, coming as it did from the Prime Minister and Finance Minister in office. Here too he was consistent with his idea, his vision of achieving what was done subsequently.

[Elena Danescu]: Pierre Werner left politics in 1984 and devoted himself to promoting the single currency and also to setting up a satellites project, which led to the start of the Luxembourg-based Société Européenne des Satellites (SES). Did he discuss how this project was hatched and the challenges involved?

[Edmond Israel]: Well, as he was a very modest person and a very creative man, he did not mention the matter initially. But when a question was raised, by someone else or myself, it was apparent that he believed deep down that nothing in this world was really permanent. This attitude suits me very well. I think it was the Greek philosopher Heraclitus who one day said: 'Nothing is permanent but change.' He knew that everything was going to change. He knew that we were moving towards an increasingly interconnected world, and he realised that there was an opening, in such a context, for launching a satellite company to broadcast pictures, films and various other programmes. Here again Pierre Werner was a visionary, but he was not one to brag about such achievements, never talking about himself unless others asked him to. If they did, his response was

always extremely elegant — and I mean ‘elegant’ — to avoid showing off. But one could not help noticing that he had hatched the idea. He would always say — I quote him freely, not word for word — he would say, for example: ‘Yes, it certainly is the right time to be thinking about satellites. Well, in Luxembourg, we think we must get on with it.’ That was how he would talk. He never said: ‘Yes, I had that idea, and so on.’ But of course we know that he was the one who had the idea.

II. Edmond Israel — a witness and key player in the emergence of the international financial marketplace

[Elena Danescu]: In a wide variety of fields, in Luxembourg and abroad, your name immediately springs to mind at any mention of the financial marketplace here. You are quite clearly the best known Luxembourg banker abroad. How do you explain this situation?

[Edmond Israel]: I suppose I could refer to Pierre Werner. Some people may say — and I’m very happy if that’s the case — that I’m one of the prime movers, or the prime mover, behind the financial marketplace. Without wishing to contradict them, I would emphasise that there were other people apart from myself, and in so doing I’m not just attempting to follow the example set by Pierre Werner, but because it is my sincere conviction. There were other people. I did my bit, and I was very happy to do so. I’m maybe a little proud of that, but there were others and there will be many more. It is one of the reasons today — time of course does its work — and there are already many younger Luxembourgers involved in the day-to-day process, at a business level or in finance, who are already very well known, maybe more so than myself.

[Elena Danescu]: Perhaps we may go back, if you will, to the start of your career as a young banker at the Banque Internationale à Luxembourg (BIL). The Luxembourg Government was setting in motion far-reaching measures for the banking system, in particular identifying assets with a view to taxing capital, and introducing foreign exchange controls, but also the process of converting Reichsmarks into Luxembourg francs, which counted as part of the Belgian money supply. What are your recollections of these events and how — if you are in a position to explain to us — were the operations carried out at your bank, the BIL?

[Edmond Israel]: In this particular case I fear I must disappoint you. First of all I started my career at the very beginning of the 1950s, and I started out as a very low-grade employee, very low in the pecking order. The first time I was promoted, I was authorised to work on the counter serving customers. So, my job was to draw up lists and such. By temperament I’m more inclined to look to the future, to focus on preparing the way forward, rather than dwelling too much on the past — a period, as it happens, of no great interest to me. Fortunately I quite soon stopped doing this purely administrative work, but that is all I am able to say. The work certainly had to be done, but I was just a very low-grade member of staff, sometimes instructed to draw up lists. That’s all.

[Elena Danescu]: Apart from Pierre Werner, who were the other political and business leaders who contributed to setting up the financial marketplace?

[Edmond Israel]: In my opinion the financial marketplace — and I’m not the only one to take this view — developed thanks to a new form of business, a new type of bond which had first appeared in London. The man who originally hatched the idea, who established the concept underpinning this type of market — what was known, indeed still is known, as the Eurobond market — was Sir Siegmund Warburg, a banker belonging to the fine tradition of private banking in Germany, who left Germany after the National Socialists came to power. He was Jewish and he had the idea,

inspired by all the dollars which had accumulated by the end of the Second World War, of using a new, cross-border instrument, a form of investment. This cross-border loan system became the Eurobond market. Warburg, in company with various other people, took an objective look at the potential openings for such a market, for quotations, bond issues and the investment of such bonds ... and also looked at various financial markets in Europe. They reached the conclusion that Luxembourg met the necessary conditions. But in what respect, you may ask. Above all because the groundwork had already been done. I do not mean that Pierre Werner had been thinking of the Eurobond market. That market was launched in 1963, but his concern had been to prepare Luxembourg for a role in international finance.

[Elena Danescu]: You yourself initiated closer links with the financial markets in the United States?

[Edmond Israel]: Yes, of course. I think that at the time it was not an obvious option. Nowadays we have a global market and it goes without saying that in the world of banking everyone is closely interlocked. No one talks about bilateral relations any more, it's all about global relations. But in those days that was not the case. Perhaps because I had been in the United States, because I had a mindset deeply marked by America, it may have helped me to grasp what was really new about this idea ... and from the outset I was convinced that the Eurobond market had something, that it represented a step forward in the world of finance and banking.

[Elena Danescu]: Luxembourg now ranks as the top international centre for private banking in the euro zone, the second largest centre for investment funds after the United States and one of the world's top 10 financial marketplaces. In these times of crisis, with repeated attacks on established practices, such as the principle of banking secrecy which is often the focus of debate and controversy, how do you see the future of the financial marketplace with regard to these challenges, the preservation of its established practices and any shortcomings which may need to be remedied?

[Edmond Israel]: Personally I am very confident about the future, precisely because everything is changing. And we are, deliberately, or perhaps almost unconsciously ... we have already engaged in various activities which are neither directly nor indirectly related to what is known as banking secrecy. Banking secrecy exists, and it is important, but if we look at certain operations such as personal asset management or investment funds in all their multiple forms, we are now in second place worldwide, behind the United States, for investment funds. I don't think that this is due to any facilities — if such facilities even exist, but that is not the topic of our discussion. It is certainly not due to any facilities of a fiscal nature. It is quite simply a matter of know-how and having already established a network of contacts — of course this is a personal opinion, but shared I think by other people in Luxembourg — a network of contacts which is not restricted to just Europe. We live [in] a global world. Well, in a global world, the financial sphere and banking play an important part, and I believe that Luxembourg is one of the places where this global world has already become part of reality. That is why I think we may be confident about the future, but we will have to roll up our sleeves, set to and — obviously — not rest on our laurels, but rather always remember that if we want to succeed, we must make an effort and use our imagination and foresight to determine, in so far as possible, what shape the future will take.

[Elena Danescu]: In addition to the value of the executives and staff working on these projects, there is also the overall environment, the political stability and excellent communications between politics and business, all of which means that projects can be built to last.

[Edmond Israel]: That is absolutely right, and you have put it much better than I could have done. It is exactly that.

[Elena Danescu]: Mr President, you are a convinced European, as borne out by your entire career and the commitments of the Edmond Israel Foundation. Have you ever considered going into politics?

[Edmond Israel]: No, I have to say I didn't want to, it really did not appeal to me, but what I thought I could do and what I have done is to serve, in my particular professional field, as a sort of unofficial ambassador representing my country. I have played that role, but politics as such never really appealed to me. It is true that people contacted me but you see I chose a career in the private sector while serving at the same time — it's easier in Luxembourg than in larger countries — as a spokesperson for my country. In that capacity I thought I could be of some use.

III. The Luxembourg Stock Exchange — a pillar of the international financial marketplace. Its role in the development of EMU

[Elena Danescu]: Mr President, you mentioned Eurobonds and their introduction in Luxembourg.

[Edmond Israel]: Yes.

[Elena Danescu]: What part did you play personally in setting up the Eurobond market in Luxembourg?

[Edmond Israel]: Well, I was not alone. Fortunately there were other people. My part was — or perhaps I should say my advantage was that during the war I immediately became a refugee. With my parents and family I had the good fortune to be able to live in the United States. Also I like the English language and at the time — that's to say in the 1960s, or more precisely 1963 — it wasn't that common in Luxembourg to speak English. Nowadays it's so common no one even mentions it. But not in those days. So there was the language side which meant that I was asked, on behalf of my employers at the Banque Internationale, to contact various bankers in London and to find out to what extent the Banque Internationale — in keeping with its traditions, reaching back to its foundation in 1857, I think — to what extent it could contribute to setting up a new market. That is how, thanks to my knowledge of English rather than my banking skills — which I picked up as I went along — anyway, thanks to that, I had the good fortune to be, so to speak, one of the godfathers of the Eurobond market.

[Elena Danescu]: To set up and develop this project involved a whole series of legislative and institutional changes to the financial market, I believe?

[Edmond Israel]: Yes, of course. At times the operating rules and regulations at the Luxembourg Stock Exchange had to be changed too. Just imagine: before the launch of the Eurobond market, the Luxembourg Stock Exchange quoted about 170 share prices, or quotation lines. A few years later we were up to 13 000. At present the Luxembourg Stock Exchange has more than 40 000 quotation lines. Which gives you some idea of the impulse given by the new market, fuelling a change which helped us in Luxembourg so that bankers all over Europe, and elsewhere, started watching very closely what was going on here. And the idea caught on. Since then, of course, many banks have started trading here. Some of them subsequently went into liquidation, not because they were bankrupt but quite simply because they couldn't see what their banks could achieve in the Eurobond market. There wasn't the exclusively 'bond-oriented' business, but Luxembourg acquired a brand image. A brand image just before the emergence of the global market we are now discussing, which is transcontinental. Even then you had to be represented in Luxembourg. Afterwards some banks decided we did not have any particular merit, but they had been attracted by Luxembourg. And

that's important, because that is how the bankers became self-appointed ambassadors, as I always say. That's my role too and in that respect, I will readily admit, I did play an important part. But I wasn't alone, just one important part in developing the financial market.

[Elena Danescu]: If we may, I should like to move on to another project in which you were involved in the 1960s, namely the Luxembourg Stock Exchange. You are currently its honorary President and the Stock Exchange has contributed to consolidating the Luxembourg financial market. How did it contribute to advancing the various stages of Economic and Monetary Union? I am thinking of specific stock market products related to the ECU and then to the euro.

[Edmond Israel]: With the euro, because we had, and we still have, the absolutely appropriate infrastructure for processing not just stock market dealings but everything that goes with it nowadays in terms of the information centre, which is now computerised — highly computerised — for the bonds quoted on our market. That is important, of course, for the euro instruments, some of which are very complex, and for which you really need to have everything to hand when you decide to buy or to sell. Luxembourg has special skills which have developed over the years and so Luxembourg — sorry, I should say the Luxembourg Stock Exchange — plays an important role in this context, as you just mentioned [...] Everything that happens in the world is in fact also due to the creative urges of human beings. So it required a certain amount of creativity and a thorough knowledge of the ground, and this creativity had to be exercised in a field which lends itself to transactions and to the launch of international financial instruments. I think that in that respect Luxembourg, or the promoters and operators of the Luxembourg Stock Exchange, used to play, and still do play, this role and so, without going into specific details at this point, the Luxembourg Stock Exchange has made its particular, very important contribution to the financial market.

[Elena Danescu]: It is indeed a very fine symbol to which you are referring and you were awarded an honorary doctorate by the Sacred Heart University, just as Pierre Werner was.

[Edmond Israel]: Yes.

IV. Clearstream — a driving force for intercontinental cooperation within the international financial marketplace

[Elena Danescu]: Now, if you will, I should like to turn to an organisation that you established on 28 September 1970, namely Cedel, which has become one of the pillars of Luxembourg's financial market. How did this idea take shape?

[Edmond Israel]: Quite simply because in the United States — once again I must mention the US — there was a major bank, the Morgan Guaranty [Trust], which already had ... to facilitate the processing, the clearing of operations on the Eurobond market, in Eurobonds ... it had already set up a clearing and settlement centre. Clearing is the term used for the liquidation of this type of transcontinental operation. This, then, was the Euroclear system. They got there first, roughly two years before us. We realised that in Luxembourg, if we wanted to hold onto this business, we would have [not only] for Luxembourg — of course, it's quite usual, everyone defends their country's interests — but also as a matter of principle we needed competition, not just a monopoly. They had a monopoly. That is why we set up Cedel at that point. About 60 banks had carried out a study first — or rather a specialist firm carried out the study — and then, as you have just said, on 28 September 1970, we set up Cedel. Not only did its shareholders change subsequently — there were more than 70, and now there is only one — so there was a change of ownership but also a change of name, but it is still the same company. So here we are, it is now called Clearstream.

[Elena Danescu]: You mentioned the Centrale de Livraison de Valeurs Mobilières (Cedel), which comprised more than 70 banks from 15 countries. You were appointed as the first President of this organisation. What were the strategic priorities you initially set, as its youthful President, for this body just after its launch?

[Edmond Israel]: Ultimately I decided that one quite simply has to be good. You must be efficient. You must satisfy your customers, while trying not to wrong the competition. No, we have to do it ourselves, and by setting a good example we shall gain an increasingly large share of the market, which took decades, not years, to develop. I think that is the main message: to be conscious of the risks, to avoid all conceivable risks and even those you cannot foresee. So you need a good organisation and at the same time you must be efficient and guarantee customer satisfaction. That's it and I think it's valid regardless of nationality, of the instruments in which you are dealing, or the firm's backers. That's what matters and what always matters. So, in short, you need to be risk-conscious and at the same efficient in order to keep your customers satisfied.

[Elena Danescu]: Did you work with Pierre Werner at this time, when he took part in some of the actions undertaken by the recently established organisation?

[Edmond Israel]: When he thought it necessary, in other words through the very valuable contacts he had with the heads of banks but also with politicians in other countries, he did so quite spontaneously. There was no need to ask him. But of course, sometimes, when I had the opportunity and good fortune to talk to him, he always took a lively interest because he realised that Cedel — in those days, subsequently Clearstream — was very important for the financial market and, in so far as possible, he followed my recommendations.

[Elena Danescu]: Thirty years later Cedel became Clearstream, as you noted just now, and you became its honorary president. This organisation is now a solid pillar of the financial market. What view do you now take of the project you launched 40 years ago?

[Edmond Israel]: Well, I would say ... I shall try to be as reserved, in the best sense of the word, as Pierre Werner — who remains an example for me, just as he was an example for many others — and to be modest. We had the good fortune to succeed in starting a business which corresponded to the direction in which the markets were moving, which meant we could play an important part. That being as it may, it has to be said that Cedel, or Clearstream, is not the only pillar. It is certainly one of the pillars of the financial market place, but there are others and today, with the passing of time, it has developed in many fields, with investment trusts, fortune management and many other private-banking activities. But, even so, I would say that in the 1970s and afterwards, Cedel — Clearstream after it changed its name — became an example, a driving force in so far as it drew attention to our country in the world of banking.

[Elena Danescu]: And it is an ongoing project, because it has lasted. Existing for 40 years is proof of its solidity and durability.

[Edmond Israel]: Yes, indeed, we are currently celebrating its 40th anniversary, but I think we are fortunate, above all, to have an excellent shareholder, Deutsche Börse, and in addition, which is certainly very important, we have a very good chief executive. Jeffrey Tessler, an American banker, who joined us more than five years ago, has made an enormous contribution to developing Clearstream, making it an increasingly important organisation in the context or in the financial fabric of capital markets worldwide.

V. Edmond Israel — an ‘ambassador of dialogue’. The role of Henriette Werner-Pescatore

[Elena Danescu]: We have already mentioned the year 1984, when Pierre Werner retired from politics. The same year, his wife Henriette Werner-Pescatore died suddenly. You knew her well, having worked closely with her on developing closer inter-confessional links, in the context of the Judeo-Christian Friendship Association, which you set up in the 1960s. Could you describe Mrs Werner and the work you did together?

[Edmond Israel]: Mrs Werner was a remarkable woman and she was the ideal wife, the ideal companion for Pierre Werner. They were very complementary. They formed an extraordinary family, including from a religious point of view. They were genuine believers, but in a way which was not in the least bit dogmatic. Far from it. They were open-minded, open to change, and they never discussed their beliefs, simply practising their faith. From the outset, both Werner and his wife realised that a country as small as Luxembourg was ideally suited to starting an inter-confessional activity. A bit later, when I had more lasting contacts with the Werners, the opportunity arose to ask Mrs Werner to join us on the committee of the Inter-Confessional Association. It was in fact ... it is a Judeo-Christian friendship association, but as this friendship goes without saying in Luxembourg I didn't want to call it Judeo-Christian friendship but rather the Inter-Confessional Association. It brought together — and still brings together — the various branches of the Christian religion, Catholics and Protestants, and the Jewish religion. I'm sorry, I should add that she did us a great honour in joining not only the board but also by serving as vice-president for some time.

[Elena Danescu]: Many of those who have contributed to this research project have highlighted the part played by Mrs Werner as the source of inspiration for many of her husband's ideas on dialogue between faiths and work on communication between religions, cultures and ethnic groups.

[Edmond Israel]: Yes, that's quite true. You are quite right and the other people you have interviewed have said so too, and for my part I can only agree. She was a source of inspiration, but both of them were complementary. It is not at all as if Mrs Werner had come along one day and said: 'Listen Pierre, I've had an idea. This is what we should do.' No, he was already quite prepared for that, perhaps prepared to contribute to setting up various inter-confessional amenities and activities in Luxembourg. But the ground had already been prepared in our country, much as it was — I should add — much as it had been for many years, indeed decades in the United States. It was maybe when I was first in the United States — even if at the time, I was just a young man, a refugee and with no means of support — I was a factory worker, that was my first job, I was a lathe-worker and not at all good at it, but I had to earn a living, to support myself and my family — well, despite all that I sensed the extraordinary climate allowing contacts between different cultures in the United States, and not just between cultures but also between religions. Do you mind if I digress for a second?

[Elena Danescu]: Please do!

[Edmond Israel]: I am currently — indeed I have been for several years — on the Board of Regents of a Catholic university in America, which is established — or has a subsidiary, if you prefer — in Luxembourg. It is the Sacred Heart University [...] The President, Anthony Cernera, is a great friend of mine — they might use another term here, but in the United States they say president, university president — anyway, in the building which houses his office there is a plaque, marked Christian-Jewish Association. At the Catholic Sacred Heart University, which is a remarkable university in the United States, at the seat of the Presidency, there is also an inter-

confessional office. All this to say that I also found the idea, the inspiration for this work, during my stay in the United States.

[Elena Danescu]: During our talk you have often referred to your American experience. What long-term lessons do you think you learned during your time in the United States?

[Edmond Israel]: I think one of the main lessons was quite simply to realise that even if you sometimes have mishaps, setbacks, you must never give up. You must start again, and go on starting again. In other words you must have confidence in the future and bear in mind that time — one might almost say Einstein's concept of relative time — is a construct. And this construct takes shape in the present, though it is already the future. Being future-conscious, being truly forward-looking in some sense, focused on the future, is perhaps one of the main lessons I learnt during my stay in the United States. I have stayed there many times since — but I'm thinking of my time there, almost four years, as a refugee. I think its effect is still with me. America still inspires me, but we live in a global world; there are other regions, other cultures and above all there is Asia which is playing an important part. In some countries ... each country has its way, which we should not neglect and from which we draw inspiration to be true citizens of the world, global players.

VI. Luxembourg and its key figures in Europe and the world

[Elena Danescu]: Since 1997 you have represented Luxembourg on the Board of Governors of the Asia–Europe Foundation. All these influences and all the positions you have occupied have made you an ambassador of dialogue. Do you think that Luxembourg has a vocation for dialogue and consensus, a stance embodied by Pierre Werner and his successors?

[Edmond Israel]: Yes, certainly, absolutely and I think Luxembourg plays a role — even if we are a small country — even so we still serve as a driving force in ASEF (the abbreviation for the Asia–Europe Foundation). The Board of Governors consists of representatives of the governments of member countries. It is not a private but a public foundation. I think it is fair to say that among — we now have 47 countries, I believe, 46 or 47 member countries in ASEF, but at the time there were far fewer — in 1997, as you just said, there were two countries located a long distance apart, namely the Grand Duchy of Luxembourg and the Republic of Singapore, which were the driving forces not just to launch — because ASEF was launched after preparatory talks which were held in Paris, France — but also to induce the big countries, the larger countries to play a part in ASEF. Luxembourg and Singapore are two countries which, despite having a completely different climate, also have a great deal in common. So, yes, we were one of the driving forces, and I should say that at the time it was Jean-Claude Juncker, the present Prime Minister, who played, and continues to play, an important part in this dialogue; this cooperation — it is more than simply dialogue — this cooperation between Asia and Europe.

[Elena Danescu]: Jean-Claude Juncker is a direct descendant, intellectually speaking, of Pierre Werner, for Werner was instrumental in bringing about the euro and Juncker is currently President of the Eurogroup. Forty years later he is carrying on this work ...

[Edmond Israel]: Yes, I entirely agree. Yes indeed. And don't forget Jacques Santer.

[Elena Danescu]: Of course.

[Edmond Israel]: We should not forget Jacques Santer, who was also the President of the European Commission. I think there is a line of descent there too, there was Gaston Thorn and

others, they embodied the strength of Luxembourg. The strength of Luxembourg, not only as you have pointed out in the course of our interview, for good cooperation between the public and the private sector, but Luxembourg is also ... we are lucky enough to have political leaders who really ... there was Joseph Bech, Gaston Thorn and then Pierre Werner, of course, Jacques Santer and Jean-Claude Juncker. I don't know if I've forgotten anyone. In the post-war years, I think we may fairly say they all took the same line and that is one of the great strengths of our country, and that strength encourages me to be, how should I say, almost more optimistic than I would be naturally.

[Elena Danescu]: As a banker, but also a convinced European, what view do you take of the role your country has played in European integration, in particular in Economic and Monetary Union?

[Edmond Israel]: From the very beginning we were deeply committed to European integration, and here again I would like to say — it must be stressed — that Pierre Werner was one of the key contributors, in political and many other terms. The reason why the headquarters of the European Coal and Steel Community, Europe's first transnational body, was established in Luxembourg, initially on a temporary basis, then permanently, was quite simply because the necessary political will and conditions were present here. But the people of Luxembourg really wanted to build a united Europe. We were among the first and, in the successive stages over the years, we have maintained our support and I hope and am confident that this will be the case in the future.

[Elena Danescu]: Mr President, we have reached the end of our talk and I would like to thank you very much for giving us your time and for your recollections of Pierre Werner and his action in Luxembourg at a European and international level. May I leave it up to you to say a final word?

[Edmond Israel]: A final word?

[Elena Danescu]: Yes.

[Edmond Israel]: There is no end. Everything is permanent, everything changes, and I would say, in keeping with the example set by Pierre Werner, that in Luxembourg we should be creative, without drawing attention to it or bragging about it, we should be modest, yet at the same time try to remember at all times that nothing but change is permanent, and that even fundamentally we should not change our way of being; we should often change our point of view in certain fields, because everything is changing. And so to conclude I would say that we may put our trust in the future.

[Elena Danescu]: Mr President, once again, many, many thanks for talking to us today and giving us your account.

[Edmond Israel]: The pleasure was all mine.

[Elena Danescu]: Thank you very much.