Replacing National Currencies With Euros Promotes European Mistrust

Citizens of nations that once were wholly independent and who now are part of the nebulous “European Union” pine for times lost. Bernd Niesel, a 67-year-old retired serviceman in Germany, has a shrine — a museum, literally — to the Deutsche Mark, the currency of the Federal Republic of Germany developed with the keen, market-oriented mind of Ludwig Erhard, Minister of Economics and then Chancellor of post-war West Germany.

Erhard was an opponent of the Nazi regime that ruled Germany for a dozen years. In 1948, as Director of Economics for the bizonal regime that ruled West Germany, Erhard ended price controls and production goals of the military government that ruled Germany until the Federal Republic was established. Erhard also introduced the Deutsche Mark, which until 1998 was the currency of free Germany. That stable national currency of West Germany was a key to the “German Miracle” — the rise of a prosperous, free, peaceful state — and at its twentieth birthday, in 1968, the Deutsche Mark was hailed as vital to German prosperity.

The challenges facing Erhard and Adenaur, both original members of the Christian Democrat Party (or Christian Social Union in Bavaria) were daunting: allied bombing had systematically destroyed the whole infrastructure of Germany and left millions of maimed and disabled citizens; Germany — including a false but generalized attitude toward all Germans — was a pariah, and even Adenaur, who had been held by Nazis in a concentration camp, was “suspect’; and West Germany had to deal with the millions of desperate Germans fleeing the Communist oppression of the eastern half of Germany (which included not only East Germany, but also Prussia, Pomerania, Silesia and other areas) and fleeing also the tacitly authorized genocide against Germans by peoples of Eastern Europe by Stalin.

The Deutsche Mark effectively died in 1998, when the “Euro,” the unified currency of the European Union, became the single currency for its members. Niesel expressed the opinion of many of his countrymen: "Certainly for the older generation, the feeling is very much one of nostalgia — ‘if only we had the D-mark again.’ " Twelve years later, with national responsibility for financial affairs blurred through the superstate idea of the European Union, many of nations of the European Union are facing crises: Greece, Ireland, and Portugal now; perhaps soon, Spain, Italy, and Belgium. Germany is easily the largest member of the European Union, and its financial house is in comparatively good order (compared with the messes in Greece, Ireland, and Portugal.)

One of the many weaknesses of the European Union appeared when Chancellor Merkel of Germany attempted to demand some accountability from those nations whose national debt is, in some cases, greater than their GDP. Jean Asselborn, the foreign minister of Luxembourg told the *Guardian*:: "I can only warn Germany and France against a claim to power that shows a certain overbearingness and arrogance." And the leader of another small nation in the union said: "Merkel and Sarkozy think they are the most pro-European leaders ever. But there is no Franco-German leadership. It's all domestic politics." Germany and France, of course, never forced the Greek government to create impossible public employee entitlements or encouraged the Irish to engage in hyper-speculation.

Ironically, the German people, as former Social Democrat Chancellor Schmidt noted, were very hesitant about giving up the Deutsche Mark and adopting a European currency, criticizing the German banks: "In their innermost heart they are reactionaries. They are against European integration." Chancellor Kohl, the Christian Democrat who presided over reunification, frankly said of the demise of the Deutsche Mark: "I knew I could never win a vote in Germany. We would have lost a referendum on introducing the euro. That's absolutely clear." Ironically, the Germans, so often accused of seeking European hegemony, simply wanted to keep their strong currency separate. Now, as Merkel seems to hold all the trump cards in the house of cards which is the Euro, she behaves as if she could go back to when Germany was truly a sovereign –—prosperous, stable, and peaceful – nation. No one is happy about that.

What is happening in Europe now is a grim reminder of what happens when national sovereignty is compromised based upon the odd notion that a remote, insulated, largely unaccountable group of bureaucrats in a super-national organization will behave more responsibly than national or state governments. Part of this is the old myth of "Balkanization." Political scientists grimly warned that the fragmentation of nations into smaller parts would be some sort of disaster for the civilized world. Just the opposite is true. When Yugoslavia broke upon into its natural constituent parts, there was peace in the Balkans. When Ireland gained independence, the level of violence in the Emerald Isle dropped dramatically. The Baltic states seem quite happy as nations and not Soviet Socialist Republics. The Czechs and Slovaks, cobbled together into an irrational synthetic nation, had the "Velvet Divorce," which has worked well.

Government is seldom the answer to any problem society faces. Bigger government, international governments, are even less the solution to any problems. Indeed, these leviathans are very often the biggest problem themselves.