

# Europe, Apple Pie And the D-Mark

Is the National Symbol in Danger?

By Josef Joffe

**M**UNICH — Unlike Margaret Thatcher, German politicians are no Brussels-bashers. Teacher's pets in the European classroom, they have always been eager to excel in their homework and to pledge allegiance to the blue-and-gold flag of the European Community. But something has happened on the way down from the Maastricht summit in December, where the Twelve laid down the timetable for a more perfect union — above all, a monetary union. The Germans have begun to worry and to waver, and that, coming from the most potent member in the club, will rattle the tracks more loudly than all of Mrs. Thatcher's blasts put together.

Take Herr Gauweiler of Munich, who recently assaulted the Maastricht process as a "totalitarian dream," while mocking its key component, a common currency by 1999, as "Esperanto money." (The quip goes back to De Gaulle, who jeered that Europe would end up speaking Volapük if the Eurocrats had their way). Who is Peter Gauweiler? No Mr. Big, if you compare him to Chancellor Helmut Kohl, who likes to confess that he has only one dream left: "to put the European train on track in such a manner that it will only be able to roll forward."

But then, Mr. Gauweiler is no beer hall politico, either. He is the environment minister of Bavaria and a rising star of the Christian Social Union, Mr. Kohl's junior partner in Bonn. His ambition is to inherit the mantle of the late Franz-Josef Strauss, and he has the political talent to go with it. To do so, he must first topple Theo Waigel, the CSU party boss, who is also finance minister in Bonn.

And lo, Herr Waigel soon thereafter trimmed his European sails. If it is going to be a common currency, he opined, it might just as well be called "Euromark," to be managed by the Eurobank, located — where else? — in Frankfurt. Blips on the screen, you might say, but these two gentlemen know an issue when they see one. As does Oskar Lafontaine, the once and perhaps future

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chancellor candidate of the Social Democrats, who has jolted his party by bad-mouthing the Maastricht compact.

Like every other politico, these folks go to party meetings where they have recently gotten an earful about "them" trying to get a hand on "our" Deutsche mark to debauch it with inflationist profligacy. They also read the opinion polls, which deliver a cautionary tale to Europe-firsters. A recent RAND study had this to report: When it comes to "strengthening the internal market," the German multitudes (85 percent) declare themselves in favor. But only 48 percent opt for "creating a common currency." Ditto for "political union" (only 44 percent) and a "European defense" (40 percent).

Little wonder. For decades, "Europe" was a remote and abstract enterprise whose impact, large as it was, hardly struck the consciousness of Herr Schultz and Frau Müller. "Europe" was tons of paper devoted to a common "rape oil order" or an endless succession of summits whose communiqués nobody bothered to decipher. Sure, separate and faster channels for EC citizens at Immigration and *crème fraîche* in the supermarket were nice, but no reason for abandoning Bonn in favor of Brussels.

But Maastricht did hit home. Money is something everybody understands. More important, "our hard Deutsche mark" is probably the only national symbol every German, whether left or right, young or old, truly reveres. Given World Wars I and II as well as the sorry record of German democracy in between, there are precious few other sources of pride for 20th-century Germans. If there is nationalism in Germany, it is not *Deutschland über alles* but *Deutsche mark über alles*.

The D-mark is an unbroken success story that shines even more brightly when compared to the Reichsmark. Twice in this century savings were wiped out, once in 1923 through hyperinflation and again in 1948, when currency reform left everybody with exactly 40 "new" marks in his pocket. Since then, the D-mark has climbed from 4.2 to the dollar to 1.6, and from 20 marks to the pound to less than 3.

EMU, the acronym for European Monetary Union, smacks of losing it all again — unless, as Messrs. Kohl, Waigel and Helmut Schlesinger (the head of the Bundesbank) surely hope, Germany manages to stay in charge. But why *would* Frankfurt stay in charge? Today, the Bundesbank enjoys the best of all possible worlds. All of Europe is a de facto Deutsche mark bloc. If Germany, with close to 5 percent inflation, jacks up interest rates, France, with only 3 percent, has to follow. But when 12 nations are at the helm, that exalted position will be lost, no

matter how stability-minded the charter of the Eurobank might be.

The issue goes deeper still. For decades, "Europe" has been the German equivalent of motherhood and apple pie — an unassailable mark of political virtue. And a profitable policy, to boot. For a defeated, discredited country, membership in the European club was a dream bargain. By giving up small slices of sovereignty, the West Germans gained the whole pie, as it were: first rehabilitation and respectability, then a community that would cocoon West Germany's resurgence, and finally a commanding voice in the entire enterprise.

Economically, the bargain was just as lucrative. Markets lost in the East were replaced by much richer outlets in the West. They fueled an export-led boon that turned Germany into the Japan of Europe. But now, all these profits have been absorbed. And the Cold War is over. The Russians are going home, and Germany is reunified. The shackles of dependence have fallen away, and for the Germans, "Europe" is no longer Western Europe but the whole Continent.

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Even if the D-Mark were not on the table, the Germans would have taken a harder look at their traditional EC priorities. To give up sovereignty was an easier habit when (West) Germany was a less-than-sovereign country. But with reunification, the last remnants of the Four Power regime were lifted, and now, self-assertion comes more naturally. It was West Germany's penchant for seeking influence through community that, in many ways, drove the integration venture. Throttle that engine, and the process may well slow down, especially since enlargement, through admission of the former neutrals and then of the East Europeans, will not bolster the EC's unity of purpose.

Perhaps, historians will one day look back at Maastricht as the high point (and turning point) of European integration, when there was nothing more left to integrate than money, taxes, defense and diplomacy — precisely those items, unfortunately, that define the hard core of national sovereignty. At any rate, don't bet on a "United States of Europe" as quickly as you can say "EMU."

JOSEF JOFFE is foreign editor and a columnist of the *Süddeutsche Zeitung* in Munich.