

Germany Leads the World

The fate of the Eurozone is an excruciatingly slow reenactment of *The Perils of Pauline*. The latest beaming photo opportunity – as another emergency agreement was made last week and more than a score of European national leaders preeningly tried to appear relevant, if not exactly statesmanlike – will be as fleeting a source of comfort and celebration as its many predecessors. The idea of a tightly enforced injunction against any repetition of today's debt-raddled impotence and chaos, without any suggestion of how to cure the current bout of the affliction, is nonsense. It is so even by the most otherworldly standards of the pandemic Europhoria that has for most of the life of the Eurodream prevented evil from being heard, seen, or spoken.

Last week, I wrote here hopefully of Germany's imposing a regime in which countries in default would admit the fact, make the best deal they could, and Eurobonds, essentially on Germany's credit, would be used to alleviate their fate, as long as they took an economic-growth pledge, including work incentives, entitlement reform, and labor-market-flexibility measures. Spanish unemployment is over 20 percent, and youth unemployment in that country is nearly 50 percent, because it is financially punitive to lay anyone off. I still believe in my beatific vision of last week, but still believe it will come in installments.

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