

The Economic and Currency Union Takes Effect (July 1, 1990)

Abstract

On May 18, 1990, the finance ministers of the FRG and the GDR signed the Treaty on the Creation of a Monetary, Economic and Social Union. It came into force on July 1 of that year. This excerpt from the *Tagesschau* daily news broadcast of July 1, 1990 reports on the first practical effects of the treaty, which effectively sealed the unification of the two German states.

Source

/Newsreader: Good evening, ladies and gentlemen. With the introduction of a common currency and the abolition of border controls, the unification of Germany has been practically completed as of midnight today.

The State Treaty on Economic, Monetary and Social Union between the Federal Republic of Germany and the German Democratic Republic has come into force. The German mark thus also became the only official means of payment in the GDR. The citizens of the GDR greeted the introduction of the market economy and the Deutschmark with cheers, firecrackers and horn concerts. There were no incidents worth mentioning.

/Reporter: The night when the Deutschmark arrives will be a long night. They celebrate as they did on New Year's Day, not shedding a tear for the old Ostmark. A branch of the largest West German bank on Alexanderplatz in East Berlin opened at midnight. The occasion led to a celebration of 10,000 people. Many of them had spent their last GDR marks in pubs and restaurants, before flocking to the bank counters. The Trabi, once an object of desire, is now being kicked. The era of hard currency has begun. The prelude at Alex is followed by the widespread distribution of Deutschmarks. The rush begins at 9 am. But as a rule, people remain calm and disciplined. For all their joy, they know that the market economy will completely change their lives and cause them problems. Some people have the maximum amount of 2,000 marks paid out straight away, but most are content with much less and start saving on the day of monetary union. The fact that money can also work: a new realization for many. They waited hours for the banks and savings banks to open so that they could get their hands on the precious bills as early as possible. It's a big day, they say again and again, but also a very exciting one. People are uncertain and don't really know what's coming. And some people feel quite anxious.

/Reporter: And what kind of day is it for you today?

/GDR citizen: Well, quite excited. I was excited all night, I had to go to the toilet all the time, and my stomach ached. And I'm completely unsettled, I can't even describe it.

/Reporter: That's how many people feel today. The mood is good, but not exuberant. Within a few months, they have experienced a change of political system and a currency reform. That needs to be processed. The start of the D-Mark era has been a success, and the citizens of the GDR, it seems, are intent on maintaining stability. The majority have resolved not to go on a spending spree, and so today much less cash is crossing bank counters than expected.

40 years of socialism have also taught people to be cautious.

<https://www.tagesschau.de/multimedia/video/video-ts-50154.html>

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