

# Making a drachma out of a crisis

*A letter from our Chairman, Edward Spalton, to the Derby Telegraph*

We would be suffering a similar fate to the people of Greece if our politicians had taken us into the euro as many of them wished. We were and still are lumbered with massive government and private indebtedness but have been able to dodge many of the ill-effects because we still have our own currency.

The so-called “bail-outs” are essentially transfers of unrepayable debt, owed originally to German and French banks but now transferred to the public sector. Whatever the result of yesterday’s referendum, the outlook for Greece is bleak.

They already have real austerity. In the Greek NHS, infant mortality has increased massively – up 40%. With the return of the drachma, there would be a prospect of fairly rapid eventual recovery but probably even more hardship in the short term. So it’s a hard choice.

The euro is a political project to create political union. To avoid more countries threatening to leave like Greece, the countries of the Eurozone will have to form themselves into a single, economic, monetary government – in effect becoming one country with a permanent majority of votes within the EU. Such a treaty will take around four years to conclude under EU rules, so could not come into force before 2020. It will make permanent and formal the UK’s existing status as a second-rate member, paying a first-class subscription.

To repatriate any powers from the EU to a member state requires treaty change. Mr Cameron appears to have dropped this demand. Harold Wilson dressed up some very minor administrative alterations as a fundamental renegotiation” in

1975. It was enough to win him his referendum. No doubt Mr Cameron will follow that example. By the second half of 2017, the UK will hold the presidency of the EU and be in charge of issuing all the press releases which follow EU meetings, giving much increased scope for media manipulation. This is the reason for the Government's abolition of the "purdah" rule, which prohibits it from using its resources to influence the outcome of the referendum. The best he could hope for is that other member states and the EU Commission promise to take his concerns into account when they make their big treaty some time from 2020 onward. This is not a happy precedent. Mr Blair surrendered some of Mrs Thatcher's rebate in exchange for a promise to reform agricultural policy. That reform never happened.

So Mr Cameron's referendum is not really about giving people a choice but a manipulative ploy to lock us into the EU permanently in advance of major, impending, centralising change of which he must be well aware.