

Jurassic Park is thriving at Westminster!

The dinosaurs are back! Two of them recently roared into life to suggest that one day the UK might join the euro. First came Lord Liddle, Labour's main EU spokesman in the upper house, said it would be "pragmatic common sense" to keep membership of the Euro a possibility. Then Lord Mandelson, the ghost of New Labour Past if ever there was one, gave an interview with *EurActiv*, the EU news agency, claiming that "The Eurozone might re-emerge, and when it will, the euro will become a reserve currency in the world, Britain's relationship to that currency might seem more attractive than now."

Will these people never accept that the reason Greece, Portugal, Spain and Italy are all suffering such misery is because of the Single Currency? It will never succeed because of serious design flaws that were present from the very outset. There is no "lender of last resort"; the Euro is shared by too many countries with too diverse economies to be an "optimal currency area" and for the foreseeable future, exchange rates and interest rates will be determined by Germany for its own benefit. Yes, everything seemed very rosy in the garden during the first few years of the Single Currency's life when all the world's major economies were enjoying healthy growth, but when the downturn came, the Eurozone was hit by the downturn much harder than the rest of the developed world. Indeed, it is still suffering, Italy is in recession, France is struggling to avoid following suit. Money growth has collapsed in the Netherlands. The housing market has crashed in Spain and Ireland. Greece, Spain, Portugal, Cyprus, Slovenia and Slovakia are experiencing deflation. You don't need a degree in economics to work out that this isn't just coincidence.

Sadly, New Labour has a track record of being rather more than

semi-detached from reality After all, wasn't it another New Labour icon, Gordon Brown, who claimed he had ended "boom and bust"? If so, it is no surprise if Messrs Mandelson and Liddle really do believe that the UK electorate, only too aware of the tragedy that the Euro has become, will joyfully vote to surrender our fiscal and monetary independence and join the single currency suicide pact.