

# Lord Stoddart gives 'eurozealots,' who still want Britain to join the euro, some home truths

During a debate in the House of Lords on 'Recent Developments' in the EU (16.2.12), the independent Labour peer and former Campaign for an Independent British chairman, Lord Stoddart of Swindon has made a major speech in which he challenged "eurozealots," including the Deputy Prime Minister, who continue to call for Britain to join the euro and told them some home truths about the current state of the EU. He also outlined the threat and the cost to Britain from the Solvency II capital rules and the proposal to make mortgages in default after 90 days in arrears.

Lord Stoddart said: "... the Solvency II capital rules, which I believe are now being agreed, will cost the British financial industry £600 billion, according to JP Morgan. They will cause massive damage to the United Kingdom's pensions industry and will virtually kill off the last vestiges of final salary schemes. That will hurt ordinary British people. We should take note of that.

"Then there is the proposal to make mortgages in default after 90 days in arrears, which conflicts with the Government's own policy of helping people, quite rightly, to hang onto their homes when they are in financial difficulty. Then there is the demand for another £9 billion to meet the additional commitments in the present financial round, which will cost the United Kingdom £1 billion. That is extra to the £10.3 billion that we have already committed and money that we do not have."

Lord Stoddart was also scathing about the EU's treatment of Greece: "The treatment and humiliation of Greece by the EU is alarming, disgraceful and completely undemocratic. Furthermore, the Greeks have had the right to govern themselves taken away and the leaders of the Government are unelected Prime Ministers. The political parties now have to guarantee that they will put into place measures that will hurt ordinary Greeks in a manner that is totally unacceptable in anything other than a third world country."

He expressed his surprise and amazement that "in spite of everything that has happened" "eurozealots", such as the Deputy Prime Minister, still want to "get rid of the pound" and "join the euro." Lord Stoddart said: "I find that quite incredible."

The full text of Lord Stoddart's speech is as follows:

My Lords, I am very pleased to be following the noble Lord, Lord Flight, and I am sure that the House enjoyed his very lively speech. I was also glad that he corrected the trade figures from 50 per cent to 40 per cent. Some people seem to believe that we did not trade with Europe before we joined the Common Market in 1973. But of course before 1973 we had very good trading relationships with Europe and made a profit on many of our exports; including cars, incidentally.

It is difficult to know where to start in a speech about the European Union because of the chaos that reigns in the Union, particularly in the eurozone. As usual, there have been some disparaging comments about those of us who are called Eurosceptics. I would remind those people that the Eurosceptics warned of the dangers of joining or having a single currency. We were told that if we did not join, we would be sidelined. We would miss the train and we would miss the boat. Indeed, people like me were called unpatriotic because we believed that it would be inimical to British interests to join the single currency.

We have been vindicated by events. We are not pleased about that, but we have been vindicated. We believe that the euro currency in the eurozone would not be good for this country even if it might be good for other countries. What surprises and amazes me-and we have heard it again this afternoon-is that the eurozealots who want to get rid of the pound still believe that the United Kingdom should join the euro. In spite of everything that has happened, they believe that we should still join. Even the Deputy Prime Minister believes that. I find that quite incredible.

The eurozone has proved that a single currency cannot work without fiscal and political union. A lot of people have pointed that out this afternoon.

This debate is about developments in the European Union. So far we have heard about great issues, but all sorts of things are going on all the time in the European Union, many of which affect ordinary people in this country. For example, the Solvency II capital rules, which I believe are now being agreed, will cost the British financial industry £600 billion, according to JP Morgan. They will cause massive damage to the United Kingdom's pensions industry and will virtually kill off the last vestiges of final salary schemes. That will hurt ordinary British people. We should take note of that.

Then there is the proposal to make mortgages in default after 90 days in arrears, which conflicts with the Government's own policy of helping people, quite rightly, to hang onto their homes when they are in financial difficulty. Then there is the demand for another £9 billion to meet the additional commitments in the present financial round, which will cost the United Kingdom £1 billion. That is extra to the £10.3 billion that we have already committed and money that we do not have. We will have to borrow £1 billion more. Only on Tuesday, the EU Commission announced that 12 member states, including the United Kingdom, are suffering from severe economic imbalances leading to economic shocks and that they

will be placed under stringent observation so that they do not compromise the stability of the EU.

That dictatorial language and action is now commonplace in the EU. The treatment and humiliation of Greece by the EU is alarming, disgraceful and completely undemocratic. Furthermore, the Greeks have had the right to govern themselves taken away and the leaders of the Government are unelected Prime Ministers. The political parties now have to guarantee that they will put into place measures that will hurt ordinary Greeks in a manner that is totally unacceptable in anything other than a third world country. That is in advance of what will be done.

Some of us predicted that eventually there would be fighting in the streets in the European Union or Common Market. We now have it. We have fighting in the streets not only in Greece but in other countries as well-

As usual, a crisis situation is being used to transfer more power to the EU institutions. The fiscal agreement was made between countries other than the United Kingdom and the Czech Republic. It may be intergovernmental at this stage. However, all experience has shown that inter-governmentalism eventually collapses and becomes an EU competence. That happened following the Single European Act, the Maastricht treaty, the Amsterdam Treaty, the Nice Treaty and the Lisbon treaty, all of which transferred more powers from nation states to the institutions of the European Union.

However, even this does not go far enough for the European top dogs. Frau Merkel, for example, was recently reported in the German newspaper Handelsblatt as saying that step by step, European politics is merging with domestic politics. She called for closer political integration, with members ceding further powers to the European Commission, which ought to be the real government of Europe, with the Council of Ministers operating as a second chamber and adding strength to a

European Parliament. That is the vision of people such as the Germans, which is also supported by the current President of France. The noble Lord, Lord Howell, does not agree with that. He is calling for a completely different sort of Europe-but Germany and France in particular are determined to go very much further than the noble Lord outlined in his speech. Of course it is not only the leaders of individual states who are doing this. Mr Barroso was this week telling the Chinese that the EU will become a fully-fledged political union after the financial crisis. I hope that the Government will tell these people that that is not the vision that the United Kingdom has for the European Union; and, indeed, that the British people will not tolerate that. They want to continue to be governed by their own elected representatives and by institutions that have been built up and been successful over many hundreds of years.