

Lord Stoddart on the Eurozone

Lord Stoddart of Swindon: Britain is not a member of the eurozone. We have decided to keep our own currency. There is no prospect of our joining the eurozone. So why on earth does our Prime Minister keep lecturing the eurozone as to how it should carry on, including whether it should have a banking union? Since we are not part of it, it is nothing to do with us, and we should keep out of it.

The second point I want to raise has already been raised—that is, the position in relation to Angela Merkel, the German Chancellor, who seems to be throwing her weight about increasingly these days. The Prime Minister does not have to satisfy Angela Merkel; he has to satisfy the people of this country, and the people of this country, we understand, will suffer austerity for the next 10 years, which means that they cannot afford to pay any more than the £10.3 billion that we already pay into EU coffers. I hope that the Prime Minister realises that he is not answerable to the EU for taxation and our contributions. He is responsible to the British people, who show increasingly that they are not very happy about remaining in the European Union, and who will be even unhappier if they are asked to pay even more towards it.

Lord Strathclyde: My Lords, that is the point that I was trying to make to the noble Lord, Lord Grenfell. I have every sympathy with the view given by the noble Lord, Lord Stoddart. It is entirely correct that, although we believe that the economy is heading for a state of recovery and long-term growth, many budgets are being cut in Britain, and we are not in the business of seeing them being increased in Europe, where British taxpayers will have to foot the bill. But that is a discussion that will take place, first between the Prime Minister and Mrs Merkel and then, later on, in the Council of Ministers.

As for the noble Lord's question as to why we are interested in the banking union, self-evidently financial services and financial matters are incredibly important to the United Kingdom-it is one of our key interests-and to the City of London. It is entirely right that we should take note of what is happening in the zone where nearly 40% of our exports go. One of the many reasons why this economy has suffered in recent years is because of the uncertainty in the eurozone, which we believe needed to be resolved-and one way in which to do that is through the banking union.