

## The Silence of the Lambs

In response to the gathering global financial and economic crisis, occasional voices, notably that of Frank Field MP, have been raised in the United Kingdom, canvassing the possibility of a national government embracing all the main political parties. Whatever the general likelihood of such an arrangement, there is an important area of economic policy where a de facto national government already exists in this country, namely the European single currency. The Labour government, the Conservative Opposition and the Liberal Democrats are united in their view that the topic is one resolutely to be ignored, with at best occasional passing references to the impossibility of joining the Euro in any foreseeable future. It might be tempting to believe that this unusual unanimity reflects the

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considered, measured and rational view of the British body politic on the question of the Euro. In fact, it is much more plausibly to be regarded as yet another proof of the dysfunctionality of the British political system where European questions are concerned.

Few historians doubt that over the ten years of his Chancellorship, Mr. Brown acted as a substantial barrier to the well-documented desire of Mr. Blair to hold and win a referendum to secure British membership of the Euro. Quite apart from any considerations of personal rivalry towards the Prime Minister which may have weighed with Mr. Brown, his barely concealed hostility towards the Euro was based upon his well-publicised analysis of the supposed distinctness of the United Kingdom from and its superiority to the outdated and unreformed economies of its neighbours in Western Europe. Unlike France and Germany, the United Kingdom had understood the need in the modern world for radical economic and particularly financial liberalisation, which found its appropriate expression in high levels of personal and corporate debt in the United Kingdom, an ever-growing financial sector and an ever-rising property market which was indispensable to sustain British economic activity in general and personal consumption in particular. The successful distinctness of the British model would be put at risk by too close an association through the Euro with the European economic laggards who had not understood the way in which economic history was tending.

It is difficult to overstate the extent to which recent events have disproved the apparently plausible analysis on which Mr. Brown has relied over the past decade to justify his dismissive attitude towards the Euro. In so far as Britain did have in recent years an economic model distinct to itself, those distinctive characteristics are now shown to have been dangerous errors, ensuring that the recession on which most of the developed world is now entering will be more severe in the United Kingdom than for any of its neighbours. It is difficult to believe that the British financial sector will ever again be the provider of jobs, income and tax revenue that it has been in recent years. The now declining British property market will act as a multiplier of economic downturn in recession, as it acted as an economic multiplier in happier times. The dizzying decline in the external value of the pound may well lead in due course to

difficulties in financing British governmental debt, which even on governmental assumptions generally regarded by commentators as over-optimistic, is likely to reach 8% of British GDP in 2009.

In these circumstances, it might have been expected that Mr. Brown would have demonstrated some willingness at least to reconsider that option of policy, his refusal to join the Euro, which was the most direct consequence of his flawed analysis of the relative merits of the somewhat (but only somewhat) differing economic structures on opposite sides of the English Channel. No such reconsideration seems remotely in prospect. It is difficult to avoid the impression that this refusal has at least as much to do with a desire to avoid an implicit admission that mistakes were made in the past as with a dispassionate evaluation of changed circumstances. It would be embarrassing to Mr. Brown implicitly to admit by reconsidering the question of British membership in the Euro that his well-publicised triumphalism about the supposed success of the British economy under his stewardship was greatly overstated. The current political culture of the United Kingdom, particularly as exemplified by the predatory mass media, suggests that no such admission will be forthcoming, at least until the publication of Mr. Brown's eventual memoirs, if then.

In another political culture than that of the United Kingdom, the Opposition might well now be pressing for rapid movement by the government to join the Euro. Mr. Brown's political opponents would understand that to force him to reconsider the question of British membership of the European single currency would be a peculiarly potent recognition of political and economic defeat from New Labour. But if Mr. Brown is unlikely to accept any such reconsideration on his own initiative, he is even less likely to come under pressure to do so from the Opposition. Mr. Cameron's Conservatives are constrained from brandishing this powerful weapon with which to assault the government, not merely by their own visceral Euroscepticism but by the political choices and the rhetoric they employed throughout the whole course of Mr. Brown's Chancellorship.

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It cannot be over-stressed that between 1997 and Mr. Cameron's accession to power in 2005, Euroscepticism was the undisputed motivating force of all the Conservative Party's political action. Mr. Cameron is no enthusiast for the European Union, but does understand that the electorate are easily bored or alarmed by obsessional concentration on the European issue from their leaders. Under his predecessors, however, the vainglorious claims of Mr. Brown that the British economy was demonstrably outstripping its European neighbours received nothing like the critical scrutiny that they deserved. The idea that continental European economic structures were demonstrably inferior to those of the United Kingdom, sedulously promoted by Mr. Brown, was one deeply congenial to the Eurosceptic Conservative Party. That this idea reinforced Mr. Brown's unwillingness seriously to contemplate British membership of the Euro could only render this fundamentally flawed analysis yet more attractive to the Conservative Party.

As a result of this equivocal approach in recent years by the Conservative Party to the questionable account given of his economic policies by Mr. Brown, Mr. Cameron and his colleagues have found themselves severely constrained in the critique they can now offer of Mr. Brown's economic record. For the past decade, they have always implicitly and frequently explicitly supported precisely those elements of the Prime Minister's general economic approach which are now shown to have been fundamentally flawed. There were not many Conservative spokesmen in recent years arguing that the oft-praised American economic model was one bringing with itself considerable risk for a medium-sized economy such as that of the United Kingdom. This long-standing objective complicity in the economic policies of New Labour has ensured that the criticism offered of Mr. Brown's current economic policies by the Conservatives has been partial and opportunistic, and the electoral advantage derived from it uncertain and patchy. Mr. Cameron's recent attempts to draw a clear line between himself and Mr. Brown on the question of new debt are a clear attempt to distract attention from the fact that his party has been at least as much in prey as Mr. Brown since 1997 to the myth of a robust, successful British economy striding purposefully ahead of its sluggish continental competitors. The explicit rejection of this myth would lead Mr.

Cameron and his Eurosceptic Party along what would be for them dangerous paths, which they are understandably unwilling to explore too thoroughly.

The “Westminster consensus” on the subject of the Euro has recently obtained a new recruit in the form of the Liberal Democrats, traditionally the most pro-European party of the British political spectrum. The document on party policy adopted at their party conference in September 2008 could say no more than that “there may before long be a case for a renewed hard-headed debate” on the issue. As the representation of the Liberal Democrats has grown in Westminster, their MP’s have sought increasingly to adapt themselves to the insular preoccupations and prejudices of the House of Commons. Liberal Democrat MPs have in consequence become more and more reluctant to differentiate themselves from the British Parliamentary mainstream by unseemly displays of enthusiasm for the European Union. This process of “socialisation” into the culture of the House of Commons has been reinforced by the fact that a substantial proportion of Liberal Democrats come from the supposedly Eurosceptic South West of England. Many of these MPs believe that their chances of re-election will be improved if they are seen to distance themselves from the public enthusiasm for the European Union that until recently was the orthodoxy of their party. The sea change which has taken place in the attitudes of Liberal Democrat Members of Parliament to European questions was well illustrated by their failure to agree a common position on the Lisbon Treaty when it passed through the House of Commons in February, 2008. A substantial proportion of the Liberal Democrat MPs were willing and eager to join with the Conservative Party in calling for a referendum on the Treaty, at a time when their leader, Nick Clegg, was vigorously arguing that the Lisbon Treaty was not a document apt for such plebiscitary consultation. There can be little immediate hope that the Liberal Democrat Party will be an effective standard-bearer for renewed consideration of the possible advantages accruing to the United Kingdom from early membership of the Euro.

Ironically, the Liberal Democrat MPs have sought to mute their public espousal of the Euro precisely at a time when British public

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opinion is becoming notably more open-minded about the merits of the single European currency. Even before the recent decline of sterling against the Euro, it had become obvious to any fair-minded British observer that the Euro was a well-established feature of the world's economic order, bidding fair in due course to rival the dollar as an international currency. The travails of the British financial sector and of its housing market were further factors reducing confidence in the British government's rosy predictions of an undisturbed path to a specifically British prosperity on the edge of the Eurozone. Commentators, letter-writers and academics calling for British membership of the Eurozone are today notably more numerous, albeit still in a definite minority, than they were even a year ago. It might be thought surprising that this unmistakable evolution of British public opinion currently finds no reflection whatsoever at the parliamentary level. The political history of the past decade does much to explain this apparent anomaly. There are many senior figures in all three major parties who believe that the United Kingdom will and should join the Euro. Through a mixture of complacency, wishful thinking and opportunism, they have spent the past ten years elaborating ever new excuses why "now" was not the time publicly to articulate these views.

The fecklessness of the pro-Europeans in the Conservative Party of the late 1990s found in the new century its sorry counterpart on European issues in the slippery evasiveness of the New Labour government of Mr. Blair. At a time when an obvious opportunity now presents itself to initiate and shape public debate on the Euro, prevarication on European issues has become for many potential leaders of a pro-Euro and pro-European discourse in this country such an ingrained a habit of mind that many are incapable of recognising, let alone seizing this opportunity. As often in the recent past, those incorrigibly hostile in this country to the European Union have judged the tactical situation much better than the Union's supposed advocates. There are clear signs from the recent utterances of leading Eurosceptic politicians and their allies in the City and the media that they see the potential harm done to their traditional stances on the Euro by recent events and are looking to browbeat the government away from political engagement on this, for them, dangerous ground. Grotesquely, political utterances from British

politicians against or studiously neutral on the subject of the Euro have in recent times been infinitely more frequent than those well disposed towards or even willing positively to recommend British membership of the single currency.

These last ten years of silence or evasion on the Euro from those whose inner convictions were at variance with their public stances did much more to undermine rational debate on European issues in the United Kingdom than even the previous decade of Mrs. Thatcher's growing hostility to all things European and John Major's ineffectual manoeuvrings to hold together an imploding Conservative Party. The events of this period should be a warning and lesson of dangers arising from an excess of self-censorship and reluctance to stake out clear positions on European issues. If the leading figures of British politics who understand the need and desirability of full-hearted British involvement in the European Union repeat their mistakes of the recent past, the inevitable consequence of their further dilatoriness will be at least to postpone and perhaps to destroy for ever any chance of the United Kingdom's eventually becoming a member of the European single currency. There are powerful and well-organised forces within the United Kingdom utterly determined to frustrate British membership of the Euro. The path towards that membership, if finally undertaken, will in any event be a long and difficult one. There is no reason to believe that it will become easier or less demanding through further postponement of the time when this issue is fairly joined, with proponents of British membership of the Euro showing the same energy and commitment which the Euro's opponents, to their credit, have manifested over the past decade.

Tragically, the possibility of a British economic catastrophe in the short or medium term can no longer be dismissed out of hand. It is still unclear how severe a bill will be presented for a decade of economic incontinence. In the calamitous circumstances of manifest economic disaster, it is difficult to believe that British membership of the Euro could be other than an inevitable consequence of this new situation. But it is a strange conception of responsible political action simply to await potential disaster before drawing the lessons which disaster can teach. Most of those favourable to British

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membership of the Euro believe for their part that this threatening economic disaster could be mitigated, perhaps even warded off, by Britain's joining the Euro, or at least setting out a credible timetable for doing so. It will be a devastating commentary on the lack of political leadership shown on this matter by the British political elite over the past twenty years if their continuing hesitation and self-interested reticence serve merely to ensure that the United Kingdom can only join the Euro when this economic disaster is an accomplished fact.

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