

When shall we join the euro?

My late father, who in his prime had been a strait-laced auditor in the Government's old Exchequer and Audit Department, had a thing about freemasons. He once told me that a trick question these people ask, when in doubt about the acceptability of some would-be joiner, is "Do you know the meaning of words?" The correct answer, my father said he had gleaned, is "I've been taught to be cautious".

Not ever having been a freemason, I do not know whether this ancient family story is true or not. However I do know that my poor father really did have a pathological objection to the freemasons, being under the rooted impression that because he had over many years steadfastly refused to join their ranks his career in the Exchequer and Audit Department suffered.

I was reminded of all that when I read Lord Rees-Mogg's column in the Times of February 12. His Lordship, a former editor of the Times, was holding forth about an exchange over the euro at Prime Minister's questions on February 7. Rees-Mogg set out a passage which he portentously said "needs to be quoted again and again until we all get it by heart". He added: "I take it from *Hansard*. It could decide the future history of Britain".

Well of course that made me sit up and take notice. I looked at *Hansard* on the internet and found that Rees-Mogg had got the crucial passage slightly wrong. Here is the correct version.

Mr. William Hague (Richmond, Yorks): The Foreign Secretary repeated this week that the Government, if re-elected, would make an assessment on joining the euro early in the next Parliament. Does "early" mean in the first two years of that Parliament?

The Prime Minister: "Early in the next Parliament" means exactly what it says. It would of course be within two years.

This does not seem anything to make a fuss about, though Rees-Mogg said it was one of the most important announcements of government policy in this parliament, since it disclosed "the timing of the decision to hold a referendum".

Here we get back to that notion of the meaning of words, for obviously the Prime Minister's statement did not mean what Rees-Mogg said. It referred to the making of an "assessment". As background Mr Blair said "we favour Britain joining a successful single currency; in practice, the economic tests must be met".

So the assessment is one which will determine whether at the relevant time the economic tests are met. If they are met, a referendum on joining the euro will be held. If they are not met, the matter will be deferred to a later date, when a further economic assessment will be held, and so on. In time the economic tests may ultimately be met, and then the referendum will at last be called. But it may take years.

Rees-Mogg suggested that in making his announcement on February 7 the Prime Minister outmanoeuvred the Chancellor of the Exchequer by without prior notice to him disclosing *when the referendum will take place*. Rees-Mogg said Labour policy had previously been to refuse to put any time on the referendum process "because Gordon Brown thought the euro to be a damaging issue in election terms". Now the cat is out of the bag.

All that is very great nonsense by Rees-Mogg. In fact Mr Blair did not disclose on February 7 when the euro referendum will take place. On the contrary he kept all cats well within their bags. He accepted that “early within the next Parliament” means within two years of the election date, since it could not mean anything else. But he did not say that the referendum will be announced within those two years. It will be announced only if the economic tests are met then. If they are met then it will be sensible to hold the referendum. If not, not.

This Labour policy, based on economic criteria, makes more sense than the Conservative policy, based on jingoism. I leave the last word with Mr Blair.

The Prime Minister: These stirring speeches in favour of the pound would be much more convincing if the right hon. Gentleman said that he was not ruling it out for just five years. That is an absurd position to be in . . . The truth is that our policy - to judge, according to the economic tests, what is good for British jobs, British business and industry - is the right one. The final decision will be for people to make in a referendum. The real reason that the right hon. Gentleman rules it out, in principle, as a matter of politics, is that he knows . . . that a large part of his party want out of Europe altogether.

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