

Opinion: Thatcher predicted single European currency wouldn't work

By Cal Thomas

One of many things left out of the film "The Iron Lady" was Prime Minister Margaret Thatcher's warnings on the effects a single currency would have on the economies of European nations. Thatcher's premonitions place her among the great political prophets of all time.

On the single currency, Peter Osborne, a columnist for the *London Daily Telegraph*, writes, "Mrs. Thatcher foresaw with painful clarity the devastation it was bound to cause. Her autobiography records how she warned John Major, her euro-friendly chancellor of the exchequer, that the single currency could not accommodate both industrial powerhouses such as Germany and smaller countries such as Greece." Thatcher predicted the currency would harm poorer countries because it would "devastate their inefficient economies."

The idea of a European Union modeled on the United States was unlikely to succeed from the beginning because, unlike American states, European countries lack a common bond. There are different languages, different histories (Colorado, for example, never invaded Nebraska) and different religions, including for six decades, atheism imposed by communist dictators in Eastern Europe.



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How can a European "E Pluribus Unum" be forged out of that?

BBC reporter Laurence Knight stated the obvious when he summed up Spain's financial disaster by noting its citizens during the relatively brief "good times" of the 1990s spent much more on housing and other material goods than they could afford. Sound familiar? Living within one's means was a lesson forgotten by individuals and governments, whose main preoccupation – in Europe and America – has been giving people what they want in hopes they'll re-elect the politicians who dispensed the goodies. That formula has contributed to an unemployment rate in Spain approaching 25 percent. Spain last weekend was approved for a bailout of up to \$125 billion from the eurozone, the fourth country to ask for a loan since Europe's debt crisis began.

Knight wrote last month, "Unfortunately for Spain, it shares a currency with Germany. That means Spain can no longer simply devalue the peseta – something that would automatically make its workers cheaper and more competitive in the world. There is no peseta to devalue."

As columnist William Rees-Mogg wrote last Friday in *The Times*, "So far as British opinion goes, Europe is seen as a cost to be borne rather than a loyalty to be cherished."

After all this, the "conservative" British government, still ignoring Thatcher's warnings, is proposing a referendum that, if approved by voters, would move Britain closer to the European Union. The *Daily Telegraph* reported, "EU leaders are discussing moves toward more integrated financial, fiscal and even political systems among the 17 countries that use the euro."

Are they mad? Why would Britain want to associate itself with governments and economies (and people) that have behaved so

irresponsibly? During the Cold War, Britain did not try to integrate its economy with that of the Soviet Union. In Europe, union has not brought unity, nor can it. Does Britain want to share more of the continent's misery, or should it try instead to point its people and the eurozone states to real change with freer and more empowered individuals, not government, leading the way?

Again, Margaret Thatcher was right when she said, "A democratic Europe of nation states could be a force for liberty, enterprise and open trade. But, if creating a United States of Europe overrides these goals, the new Europe will be one of subsidy and protection."

Most profoundly, Thatcher warned, "We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level with a European super-state exercising a new dominance from Brussels."

That is precisely the seductive siren call the "conservative" British government now hears. It is a call, that, if answered "yes" by voters will wreck Britain's struggling economy and potentially cause it to go down the drain along with most of the other economies on the continent.

Today's politicians can't pretend they were not warned.

Cal Thomas is co-author (with Bob Beckel) of the book "Common Ground: How to Stop the Partisan War That is Destroying America".