

November 7, 2011 10:49 pm

# PM tells eurozone to 'sort itself out' 57

By George Parker, Political Editor

David Cameron has warned eurozone leaders to “sort themselves out” and to stop looking to the International Monetary Fund to settle the debt crisis.

The prime minister told MPs that Britain and other big economies had withheld specific promises to increase IMF funding because of concerns that the eurozone was still failing to build a credible firewall around the euro.

“The world sent a clear message to the eurozone at this summit: sort yourselves out and then we will help. Not the other way round,” said Mr Cameron, as he reported back to the Commons on last week’s inconclusive G20 summit in Cannes.

His tough message was intended to deflect criticism from Labour and some Tory MPs who believe Britain should not provide extra IMF support until there is certainty it is not being used as a substitute for robust action by the eurozone itself.

“Of course, the rest of the world can play a supporting role but in the end this work has to be done by the eurozone countries themselves. No one else can do it for them,” Mr Cameron said.

But behind the rhetoric, the prime minister is prepared to release up to £40bn of British support to the IMF to help countries “in serious economic distress”, including, if necessary, to individual members of the eurozone.

Mr Cameron draws a distinction between his refusal to offer British support for the eurozone’s bail-out fund – which he argues is intended to safeguard the single currency – and backing through the IMF to sovereign euro nations.

That distinction has not satisfied Labour, which in July voted against increasing Britain’s IMF subscription because of fears it might be used to bail out the eurozone. Ed Miliband, Labour leader, said Mr Cameron was “complacent” and wanted him to rule out an IMF intervention “in parallel” to other eurozone efforts.

Mr Cameron argued the IMF was already involved in supporting Ireland, Portugal and Greece, alongside the eurozone’s bail-out fund. Tory MPs were also concerned. “Surely the European Central Bank not the IMF should be the lender of last resort,” said Stewart Jackson, MP for Peterborough.

Separately, Mr Cameron again rejected the idea of a financial transactions tax (FTT) applicable only in Europe, insisting it could be introduced only on a global basis. The

prime minister believes some other European leaders use the subject of a so-called Tobin tax as a means of diverting attention from other policy issues.

He said other countries “should not try to hide behind proposals for an EU tax as an excuse for political inaction on meeting targets for spending on development or indeed climate change”.

He added: “The current proposals for an FTT in Europe are so deeply confused that different European countries – and institutions – have talked about spending the revenues of the tax in five different ways: on development, climate change, social policy, resolving the banking crisis, and – most recently – to supplement the EU budget.”

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