TEN MYTHS ABOUT “BREXIT”

1 BRITAIN WOULD LOSE THREE MILLION JOBS IF WE LEFT THE EU

- If Britain withdrew from the EU it would preserve the benefits of trade with the EU by imposing a UK/EU Free Trade Agreement.
- The EU sells a lot more to us than we sell to them. In 2011 there was a trade deficit of nearly £50bn, which had risen to £109.2bn by 2014. It seems unlikely that the EU would seek to disrupt a trade which is so beneficial to itself.
- Moreover, the Lisbon Treaty stipulates that the EU must make a trade agreement with a country which leaves the EU.
- World Trade Organization (WTO) rules lay down basic rules for international trade by which both the EU and UK are obliged to abide. These alone would guarantee the trade upon which most of those 3 million jobs rely.

2 BRITAIN WILL BE EXCLUDED FROM TRADE WITH THE EU BY TARIFF BARRIERS

- The EU has free trade agreements with 53 countries to overcome such tariffs, and is negotiating a further 74 such agreements.
- EU now exempts services and many goods from duties anyway. In 2009 UK charged customs duty of just 1.76% on non-EU imports. This is so low that the EU Common Market is basically redundant as a customs union with tariff walls.

3 BRITAIN CANNOT SURVIVE ECONOMICALLY OUTSIDE THE EU IN A WORLD OF TRADING BLOCS

- Major economies eg. Japan (the world’s 3rd largest) are not in a trading bloc.
- The EU is not the place where most economic growth is occurring. The EU’s share of world GDP is forecast to decline to 15% in 2020, down from 26% in 1980.
- Norway and Switzerland are not in the EU, yet they export far more per capita to the EU than the UK does; this suggests that EU membership is not a prerequisite for a healthy trading relationship.
- Furthermore, Britain’s best trading relationships are generally not within the EU, but outside, i.e. with countries such as the USA and Switzerland.
- The largest investor in the UK is not even an EU country, but the US.

4 THE EU IS MOVING TOWARDS THE UK’S POSITION ON CUTTING REGULATION AND BUREAUCRACY

- EU directives are subject to a ‘rachet’ effect i.e. once in place they are highly unlikely to be reformed or repealed.
- Less than 10% of Britain’s GDP represents trade with the EU yet Brussels regulations afflict 100% of our economy (the 6th largest in the world)
- 80% of the UK’s GDP is generated within the UK so at least 80% (90% if trade with rest of the world included) need not be subject to EU laws.
- In 2006 it was estimated that EU overregulation costs 600bn Euros across the EU each year.
- In 2010, Open Europe estimated EU regulation had cost Britain £124 billion since 1998.
- Whilst Red tape savings are not direct cash savings, deregulation would result in a true ‘bonfire of regulations’ that could fund either sizeable tax cuts or additional public spending.

5 IF WE LEAVE, BRITAIN WILL HAVE TO PAY BILLIONS TO THE EU AND IMPLEMENT ALL ITS REGULATIONS WITHOUT HAVING A SAY

- We have very little say within the EU, and would have far more leverage outside EU as an independent sovereign nation and the world's 6th largest economy.
- The UK currently has only 8.4% of voting power 'say' in the EU, and the Lisbon Treaty ensured the loss of Britain's veto in many more policy areas.
- Britain's 72 MEPs are a minority within the 736 in the European Parliament (worsening to 73 out of 751 owing to Lisbon changes).
- With further enlargement (Croatia, Turkey's 79 million citizens), British influence would be further watered down.
- As for continuing contributions by an independent Britain, Swiss and Norwegian examples show that the UK would achieve substantial net savings.

SWISS CASE STUDY:

Official Swiss government figures conclude that through their trade agreements with the EU, the Swiss pay the EU under 600 million Swiss Francs a year, but enjoy virtually free access to the EU market. The Swiss have estimated that full EU membership would cost Switzerland net payments of 3.4 billion Swiss francs a year.

NORWAY CASE STUDY:

Norway only had to make relatively few changes to its laws to make its products eligible for the EU marketplace. In 2009, the Norwegian Mission to the EU estimated that Norway's total financial contribution linked to their EEA (European Economic Area) agreement is some 340 mn Euros a years, of which some 110mn Euros are contributions related to the participation in various EU programmes. However, this is a fraction of the gross annual cost that Britain must pay for EU membership which is now £18.4bn, or £51mn a day.

6 THE EU HAS BROUGHT PEACE TO THE EUROPEAN CONTINENT

The Reality:

- Even now, the EU is only 27 nations of the 47 European nations listed as national members of the Council of Europe.
- The forerunner to the EU, the Common Market, didn't come into existence until 1958, and then only with 6 nations, and yet there was no war between European countries from 1945 to 1956 (except the Hungarian revolution). Whilst peaceful international cooperation is welcomed at all levels, to say the EU is the sole guarantor of peace is an extreme exaggeration that is dishonest in its application.
- It is NATO, founded in 1949 and dominated by the USA, and not the EU, that has actually kept the peace in Europe, together with parliamentary democracy. Both of which are being undermined by the EU.
- The former German President Herzog wrote a few years ago that 'the question has to be raised of whether Germany can still unreservedly be called a parliamentary democracy'. This was owing to the number of German laws emanating from the EU which he assessed at some 84%.
- The break up of Yugoslavia was a major test of the EU's ability to keep the peace. It was EU interference that helped trigger a major civil war and its dithering contributed to deaths of some 100,000 people. It was only decisive action by the US/NATO forces that stopped the violence. Peace was established by the US-brokered Dayton Agreement.

7. THE EU HAS A POSITIVE IMPACT ON THE BRITISH ECONOMY

- British industries such as fishing, farming, postal services and manufacturing have already been devastated by Britain's membership of the EU.
- EU membership costs UK billions of pounds and large numbers of lost jobs thanks to unnecessary and excessive red tape, substantial membership and aid contributions, inflated consumer prices and other associated costs.
- The Common Fisheries Policy has cost British coastal communities 115,000 jobs (Lee Rotherham, 10 years on).

8. BRITAIN WILL LOSE VITAL FOREIGN INVESTMENT AS A RESULT OF LEAVING THE EU

- In a 2010 survey on UK's attractiveness to foreign investors, Ernst and Young found Britain remained the number one Foreign Direct Investment (FDI) destination in Europe owing largely to the City of London and the UK's close corporate relationship with the US. EU membership was not mentioned at all in their table of key investment factors, which were (in order of importance): UK culture and values and the English language; telecommunications infrastructure; quality of life; stable social environment, and transport and logistics infrastructure.

- In any case, open access to the EU market would continue through a Free Trade Agreement in the manner of Switzerland and Norway whilst the UK would gain from higher growth, less regulation, more public spending and/or lower taxes and more suitable trade deals.

9 BRITAIN WILL LOSE ALL INFLUENCE IN THE WORLD BY BEING OUTSIDE THE EU

- Britain has a substantial 'portfolio of power' in its own right, which includes membership of the G20 and G8 Nations, a permanent seat on the UN Security Council (one of only 5 members) and seats on the International Monetary Fund Board of Governors and World Trade Organisation.

- The UK also lies at heart of the Commonwealth of 54 nations. Moreover, London is the financial capital of the world and Britain has the sixth largest economy. The UK is also in the top ten manufacturing nations in the world.

- Far from increasing British influence in the world, the EU is undermining UK influence. The EU is demanding there is a single voice for the EU in the UN and in the IMF. The EU has also made the British economy and City of London less competitive through overregulation, and negotiates more protectionist and less effective trade deals on behalf of the UK.

- The European External Action Service (EEAS) and its EU 'Foreign Minister' Federica Mogherini are undermining national diplomatic representation and the furtherance of British political and commercial interests through British embassies, which are being closed or downsized around the world.

- The Commonwealth is increasingly discriminated against by the EU policy on visas, so that non-EU Commonwealth citizens face having to obtain visas whilst citizens of even new EU entrants have automatic entry. Historic Commonwealth bonds with Britain are being lost.

10 LEGALLY, BRITAIN CANNOT LEAVE THE EU

- Technically, Britain could leave the EU in a single day. Legislatively, this would be achieved simply by repealing the European Communities Act 1972 and its attendant Amendment Acts through a single clause Bill passing through Westminster.

- If the British people voted to leave in an In/Out referendum or by voting in a party with EU withdrawal on its manifesto, Parliament would have to respect the will of the British people and there would be no justification for delay or obstruction in either House.

- However, the process of setting up a replacement UK/EU Free Trade Agreement will take longer, though there would be no need for time-consuming negotiation of tariff reductions if the UK/EU Free Trade Agreement merely replicated existing EU trade arrangements.

- In addition, even the Lisbon Treaty's Article 50 enshrines the right of member states to leave the Union, albeit in an unattractive manner. The same article requires the EU to seek a free trade deal with a member which leaves. Greenland established a precedent for a sovereign nation by leaving the EEC in 1985, and is prospering well outside of it. With Westminster still sovereign (for the moment), it is the British Parliament who will decide how and when Britain leaves the EU.