

uk2020

“THE FUTURE OF EUROPE”
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CHECK AGAINST DELIVERY

INTRODUCTION

Good morning.

The choice the British people face on June 23 is presented by the Government as between Remain in a stable, benign institution which has delivered prosperity jobs and peace; or Leave, and make a leap in the dark towards an unknown destination.

In actual fact, the choice before the country is exactly the opposite.

To Remain is a leap in the dark.

It is a commitment to an undefined relationship with a completely new country.

To Leave is the safe option.

We can reestablish, in an orderly manner, a new relationship with our European neighbours based on trade and cooperation.

This morning, I want to explain what Remain really means. And to assure those of you who are undecided, that to Leave really is the safe and benign option.

1. REMAIN – A LEAP IN THE DARK

The aim behind the European Union is, and always has been, to achieve by a series of stealthy, incremental steps, the creation of a United States of Europe, with a single, supreme government in Brussels, to match the power of Washington and the United States.¹

This is a well documented vision. It is embedded in the idea that, in order to prevent the peoples of Europe slaughtering each other, its nations must be abolished and replaced by a single, federal structure to ensure that the horrors of 1914-1945 would never be repeated.

However, we have reached a point in this process of integration where, the Eurozone is about to become a new country.

You may not like the EU you have got now.

You will like the new one even less.

1a) Uncertainty: The Eurozone – A New Country

There is a fatal flaw in the Eurozone. The fragile Club Med economies cannot create wealth at the rate at which they joined the euro. This has had tragic consequences for a whole generation of young people. That is why the EU must be able to transfer money to them from the wealth-creating areas such as southern Germany and Southern Holland. And, for that, there has to be a central budget, a tax raising capability and a central economic government.²

This is a very clear direction of travel. With unaccustomed honesty and candour the European establishment in 2013 drew up a draft treaty, produced by the Spinelli Group.³ Then, on 22 June 2015 it published the Five Presidents' report on completing Economic and Monetary Union.⁴ This strategy was confirmed again in the Commission President's State of the European Union Report in September 2015, with the promise of a White Paper in the Spring of 2017 (conveniently after the EU Referendum).⁵ Therefore, it is not a question of whether, but of when these changes are made.

In short, the Five Presidents' Report sets out an action plan for pooling sovereignty in the 19 Eurozone countries based on economic, financial, banking, fiscal, and capital markets union – with all of these unions taking place at once. This plan is underway now to finally move to “political union” at the latest by 2025.

It requires Eurozone “Member States to accept increasingly joint decision-making on elements of their national budgets and economic policies.” As such the EU will strengthen existing institutions and create a “Single Bank, with a single bank supervision and a single deposit insurance.”

The intention is to create a new European Fiscal Board and various mechanisms that will become increasingly involved in national budgets and policies adopted by member states. The report shows they intend to become involved in setting real estate prices, wages, retirement age, and the coordination of social service schemes.

These have been previously the preserve of nation states. Now it is the other way round and the report describes how these mechanisms will “hold Member States accountable for the delivery of their commitments”. It goes on to say that “Periodic reporting on implementation, regular peer reviews or a ‘comply-or-explain’ approach should be used more systematically”.

This is a rapidly changing, accelerating picture of ever closer union for the 19 countries in the Eurozone.

1b) Uncertainty: ‘Special Status’ and “Associate Membership”

But what does that mean for the UK if we remain? The Prime Minister’s taxpayer-funded £9m leaflet claims, in bold lettering, that the UK has received “special status” in a “reformed EU” and that “the UK will not be part of further European political integration”.⁶

Such a claim is deeply misleading.

While we are not going to be a part of the Eurozone entity, it is inevitable that its decisions will have an impact on us.

Firstly, it is not clear at all what a ‘special status’ means for the UK in this rapidly changing European Union and what protections it affords.

It is most likely that when the Prime Minister is referring to a ‘special status’ it is in fact what the European Union describes as their second-tier “associate membership”.

If so this makes a mockery of the Government argument that by Remaining we get to make decisions in Brussels because with Associate Membership we will get the worst of both worlds.

“Associates would negotiate their own arrangement with the core states” according to the blue print.⁷ For Associate Members, “institutional participation” would be “limited”. In other words, if we Remain, we will be excluded from the very “top tables” in Brussels where the key decisions are taken by Eurozone members. They call it a “lasting settlement” in which “Continued allegiance ... would be required, but political engagement ... would be reduced.”

In other words, the Prime Minister’s ‘special status’ for countries outside the Eurozone will leave Britain as a colony of Europe.

The Prime Minister will be reduced to the status of a Roman governor.

He will hand down decrees from what President Barroso described as the "empire".

Under this scenario the notional head of the UK government would be occasionally obliged to placate the natives with the pretence of independence. But, in reality, he would be powerless over decisions made hundreds of miles away.

Senior figures in the European Union have also said that the Prime Minister's 'special status' does not keep us safe from transferring more decision making powers to Europe. Graf Lambsdorff, Vice-President of the European Parliament, stated that the Prime Minister's so called "legally binding" agreement protecting us from "ever closer union", "is in no way a document of the European Union, but a text of hybrid character, which is unspecified and not legally binding". He went on to say that, "At the moment, the whole thing is nothing more than a deal that has been hammered out down the local bazaar".

1c) Uncertainty – Learning from history, 1975 all over again

In other words, this referendum is in danger of repeating the deception of 1975.

In that referendum, the British people were sold a false prospectus of joining a “Common Market.”

We wanted free trade, an economic project, prosperity.

But the notoriously slippery Prime Minister of the day, Harold Wilson, chose to disguise the fact that we were signing up to a project of political integration.

Why else would a single market require a Parliament, a Court, a Council and in time its own currency?

Don't be fooled again.

Since joining, we have swallowed major changes - such as giving up important vetoes - in order to ostensibly advance the market. But all along these were intended to progress the political project.

In the candour of the Five Presidents' Report, it is clear that we have come to a fork in the road.

Rather than the United Kingdom leaving Europe, they are leaving us.

The Prime Minister's second-tier 'associate membership' or 'special status' is an ill-defined sham.

It is a classic case of triangulation politics – presenting this as the safe option – like Goldilock's porridge, neither too hot, nor too cold, but just right.

1d) Uncertainty – What we do know

The legal protections of our status inside the EU in 2025 may be uncertain, but there are some things that we do know.

If we Remain, we will still be subject to the EU institutions.

Still outvoted in the Parliament

Still outvoted in the European Council where David Cameron has been defeated 40 times

And still overruled by the European Court of Justice.

If we remain we are still subsumed into Barroso's "Empire". We would not avoid the consequences of this grandiose experiment. Europe's fate would be our fate.

If the dream becomes a nightmare, whether through currency collapse or mass migration, it would be a disaster for Europe.

And no 'special status' could ring fence Britain from it.

If we Remain, for example, we risk getting the bill for future bailouts. Just remember last year when George Osborne said that the Eurozone must "foot the bill". Despite the UK not being a part of the Eurozone, and despite the Chancellor saying it was a "red line", we still contributed £850 million toward a £4.9 billion loan for the emergency financing of Greece, because of our longstanding commitments as members of the European Union.⁸

Or consider Christine Lagarde, now head of the IMF, who in 2010 as French Finance Minister said of the Greek bailout, "We violated all the rules because we wanted to close ranks and really rescue the euro zone. The treaty of Lisbon was very straight-forward. No bailout".⁹ No matter what legal protections

or political promises are in place, the UK risks being liable for the Eurozone's political project.

Most pressingly, if we Remain we will be further dragged into a migration crisis partly of Europe's making. This is a genuine and legitimate concern. Germany's open door policy is now out of control. In February this year, Federal Ministries were estimating that Angela Merkel's asylum amnesty would have attracted 3.6 million people by 2020.¹⁰ Many of these will, after five years, be able to acquire EU passports and move across Europe into the UK.

If we Remain, we will be part of an EU that will soon have five more countries and 87 million more people. David Cameron is a strong advocate among EU leaders for the remaining Balkan states to join the EU, granting EU citizenship and free movement to Serbia's seven million population, 2.8 million Albanians, two million Macedonians, and the 600,000 strong population of Montenegro.

In addition Turkey's 75 million people with poverty levels in excess of Eastern Europe, may join.

Turkey, led by an increasingly authoritarian regime, has a 700-mile long border with war zones in Syria and Iraq.

The implications for European and British security are all too plain.

Further, the UK electorate need to know that in voting to Remain, they will send a very clear signal to the other 27 countries and the European establishment, that they endorse the Five Presidents' report, the common European army, common European border controls, rapid expansion of the European border into the Middle East, 87 million new mostly low income citizens, and at the heart a new federal Eurozone.

And it is worth noting that, if we Remain, the attitude of the European Establishment will be ruthless. Their attitude will be,

“You are our second largest contributor.

“You have just given us a terrible fright.

“You've had your opportunity. You blew it.

“Now shut up. Leave us to get on with our project

“Oh - and keep sending the cheques”.

Voting Remain will leave us with an unsafe and uncertain future.

2) LEAVE – the safe, bright, optimistic choice

In contrast, should we decide to vote for independence on 23 June, there is a different, safer, future awaiting us. Our vision is for a United Kingdom as a self-governing, self-confident, free trading nation-state.

Since the unofficial start of the referendum campaign the remain camp has given us warnings of various disasters facing us if we leave this union, from the mundane to the biblical. Most recently the IMF, which has consistently been proved wrong on nearly every major forecast of recent times, cited Brexit as a major threat to the UK's economic growth.¹¹

For centuries our island story has been of a merchant and maritime power playing its full role in European and world affairs while living under its own laws.

It is my view that the UK can flourish once again as an independent state trading both with our friends in the EU and the rest of Europe, while developing other relationships around the world including the United States and China, India,

Australia and Canada and the other fifty nations of the Commonwealth. We traded with all of them long before we belonged to the EU.

Mentioning the United States brings me to President Obama.

You will have noticed that he is, how shall I put it, sceptical of a UK US trade deal. The President, with just months left in the White House but plenty of golf to play, is of course in no position to negotiate a trade deal with the United Kingdom whatever happens.

I was in Washington this time last year talking to his political opponents and they are enthusiastic for a UK US deal. They agreed that the US would never give up its rights to do trade deals with other countries, and were amazed that the UK already had.

For hundreds of years, the United Kingdom has freely engaged as an independent country in alliances and treaties with other countries. It has a long history of entering into commercial agreements and conventions at an inter-governmental level. We wish to uphold that tradition.

The ability of Britain's sixty four million citizens to determine their own independent future, to help, inspire and shape political developments through international bodies, and to improve world trade and the wellbeing of all peoples, will only be possible when we are free of the undemocratic and moribund European Union.

The EU is a lousy negotiator of free trade deals.

It moves as fast as the slowest lame donkey in the caravan – the deal with the US is holding up a deal with China, in turn holding up a deal with India. Free from the EU we will be able to strike our own bilateral deals as other countries like New Zealand do.

Much of this is made possible because increasingly law and regulation is made at a global level. There is far more certainty if we have full representation. The UK is badly represented on these bodies by the EU, where the EU tries to represent 28 countries. Far better if we had a full representative of our own.

Regulation that affects every citizen is increasingly decided at world level. In the future we will be serving the country far better if we have a fully effective and independent representative on the World Trade Organisation (WTO) and other global regulatory bodies.¹²

The EU itself is losing influence to these world institutions.¹³ So should we Remain, the EU is planning a power grab. It is actively looking to take over all Eurozone Member seats on the IMF.¹⁴ The EU wants to supplant Member States on all global bodies as it has done on the WTO.

In contrast if we vote Leave, freed from the grip of Brussels, we will reclaim our seats on these bodies and be able to redevelop our own distinctive global trade policy, helping to kick-start the stalled world trading system. The cost of ever-increasing non-tariff barriers have absorbed most of the gains from tariff reductions secured through GATT (General Agreement on Tariffs and Trade) and the WTO.¹⁵ This will go a long way to tackling global poverty and those push factors driving much of today's migrant crisis.

3) A SAFE AND SECURE EXIT

However, before sensible people will commit to making such an important decision as to leave, they must be reassured that it is possible and safe to move towards the new destination.

A safe, ordered parting of the ways is possible and realisable, without economic penalties or fear, which have been so exaggerated recently by the Treasury.¹⁶

3a) Exit – a process not an event

Leaving the European Union is not an event but a process.

A careful, measured process where any responsible government is going to take things stage-by-stage.

The day after we vote to Leave will be no different than the day before.

Except for one thing, we will have a huge party – and not just because it'll be my 60th birthday.

In all areas of law and policy, only gradually will we diverge, rather like trains on the parallel tracks at Clapham Junction, each eventually travelling to their own separate destinations.

The detail of that process can only emerge from the negotiations.

The sensible route is for preliminary discussions to take place. Then, once the broad outlines of the settlement have been established, we can begin the formal process of leaving.¹⁷

3b) Exit – continuity in trade

We can leave the political arrangements of the Union and still enjoy access to the market, trading freely with our European neighbours as we have been doing for millennia, an openness that has always been the key to our success.

Not only does the EU have a surplus with the UK of nearly £70 billion, but over 5 million EU jobs depend on sales to the UK.¹⁸ In many sectors of activity we are closely integrated. As an example, we make 1.5 million cars and 2.4 million engines.¹⁹ These engines form a crucial part of the European supply chain. Our neighbours and ourselves have a selfish and strategic interest, in reaching a mutually beneficial agreement ensuring trade continues to flow smoothly.

The *realpolitik* is that European politicians will be under pressure from their own electorates to ensure a smooth transfer.

It is in everyone's interest that this process is successful.

CONCLUSION

To conclude. The Government's case is false.

It is Remain that is the leap in the dark.

To vote Leave is the safe option.

The European Union has published the Five Presidents' Report. It describes a deeply integrated Eurozone whose formation will be completed in just nine years time. It raises grave uncertainties about the UK's position. The UK will be subordinate to the EU's federal state where the only certainty is that we will be outvoted but forced to pay up.

We are confronting a situation where continued membership of the EU is no longer tenable. There is no *status quo* – our future in the EU is one of a second-class citizen, locked into associate status.

If we awake on 24th of June to find that we have missed this opportunity, we can expect no mercy from Brussels.

We will be dominated by the Eurozone making the key decisions without us.

By leaving, we will take back control of all government policy.

That means we will control our borders. We will secure our country against terrorist threats. We will ease the burden on our public services. We will restore our right to forge our own trade deals.

And the fifth largest economy in the world will have restored its national independence.

Power will again lie in the hands of the General Public.

Elected politicians will make decisions.

If the public doesn't like them, they can kick them out at elections.

Outside, a whole new future awaits us as a self-governing, self-confident, free trading nation state.

A spectacular future as a flourishing world power.

Thank you very much.

ENDS

Endnotes

¹ The institutional structure of the European Union is closely based on the template published by Arthur Salter, a (then) British Civil Servant and close colleague of Jean Monnet, in his 1933 book “The United States of Europe”, from a paper of the same name written in August 1929.

² There have been countless calls for the EU to acquire powers to make fiscal transfers. Not untypical of these was French Economy Minister Emmanuel Macron who in August 2015 called for a new start for Europe, telling a German newspaper the eurozone status quo would lead to the currency union’s self-destruction, stating that fiscal transfers between member states were necessary.

<http://www.euractiv.com/section/euro-finance/news/france-s-economy-minister-calls-for-fiscal-transfers-in-eurozone/>

³ A Fundamental Law of the European Union, produced by the Spinelli Group and published by the Bertelsmann Stiftung in 2013.

<http://eureferendum.com/documents/fundamentallaw.pdf>

⁴ https://ec.europa.eu/priorities/sites/beta-political/files/5-presidents-report_en.pdf

⁵ “... we will also need to look ahead at more fundamental steps with regard to the euro area. The Commission will present a White Paper on this in spring 2017”.

http://ec.europa.eu/priorities/sites/beta-political/files/state_of_the_union_2015_en.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/515068/why-the-government-believes-that-voting-to-remain-in-the-european-union-is-the-best-decision-for-the-uk.pdf

⁷ Spinelli Group, *op cit*.

⁸ <http://www.telegraph.co.uk/news/worldnews/europe/greece/11738027/George-Osborne-British-taxpayers-will-not-foot-bill-for-Greek-bail-out.html>

⁹ <http://uk.reuters.com/article/us-france-lagarde-idUSTRE6BH0V020101218>

¹⁰ <http://www.reuters.com/article/us-europe-migrants-germany-forecast-idUSKCN0VY19L>

¹¹ <http://www.imf.org/external/pubs/ft/weo/2016/01/pdf/text.pdf>

¹² UNECE, the Codex Alimentarius, OIE, and the IPPC

¹³ Specifically, Under the WTO 1994 TBT Agreement, the EU as a contracting party is obliged by virtue to adopt relevant international standards as a basis for their technical regulations. https://www.wto.org/english/docs_e/legal_e/17-tbt.pdf Similar provisions apply in the SPS Agreement, while EU standards bodies (CEN and CENELEC) are obliged by virtue of the Vienna and Dresden Agreements to adopt ISO standards in preference to their own.

¹⁴ <https://euobserver.com/economic/130782>

¹⁵ Pre GATT tariffs are estimated at about 22 percent. <http://voxeu.org/article/myth-40-pre-gatt-tariffs>. Recently, the Atlantic Council reported the cost of non-tariff barriers to the US automotive trade was 25.5 percent.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288160/TTIP_and_the_US_Motor_Vehicles_Sector.pdf A single, global ad valorem tariff equivalent (AVE) for NTBs is almost impossible to compute, and there is no agreed methodology –https://www.wto.org/english/res_e/booksp_e/anrep_e/wtr12-2d_e.pdf

However, average AVEs are variously estimated at around 20 percent, although some estimates are as high as 45 percent, growing to 73 percent in some sectors. The World Bank estimates NTB costs in Africa average 40 percent.

http://siteresources.worldbank.org/INTAFRICA/Resources/Defrag_Afr_English_web_version-Part_2.pdf
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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/517415/treasury_analysis_economic_impact_of_eu_membership_web.pdf

¹⁷ <http://www.lisbon-treaty.org/wcm/the-lisbon-treaty/treaty-on-European-union-and-comments/title-6-final-provisions/137-article-50.html>

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http://www.iea.org.uk/sites/default/files/publications/files/Briefing_1502_The%20EU%20Jobs%20Myth_web.pdf

¹⁹ http://www.smmmt.co.uk/wp-content/uploads/sites/2/SMMT_Facts-Guide_May.pdf

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