

REMAIN

LEAVE

Many people feel confused by the conflicting arguments concerning the EU referendum. Here, we have tried to present the arguments for and against – in an easy-to-read format.

Those in favour of 'Remain' are David Cameron, Nick Clegg, government minister Anna Soubry and Financial Times chief economics commentator Martin Wolf. The 'Leave' argument is represented by Boris Johnson, Tony Benn, economist Gerard Lyons and MEP Daniel Hannan.

There is a lot to read, but it's an important decision. So, grab a drink, find a corner and take an hour or two to weigh up the information in your mind...

The Editor

“DAVID CAMERON: BREXIT WOULD BE 'GAMBLE OF THE CENTURY'”

In an article for the Telegraph, Prime Minister David Cameron demands Cabinet rebels answer key questions over the future for Britain outside the European Union

A week after six of his Cabinet ministers announced they would campaign against him in the EU referendum, David Cameron warns the public of the risks of leaving the EU.

He calls on Leave campaigners to spell out the kind of trading relationship Britain would have outside the EU and demands that they detail how the UK would cooperate with other countries to stop terrorists.

In an appeal to voters, the Prime Minister says jobs, the cost of living and family finances are all at stake in the referendum on June 23.

On 23rd June, nothing less than the future of our country is at stake.

If you vote to remain in Europe, I can clearly describe what you're voting for. Our trade links with a reformed Europe and the wider world will grow; we'll keep on working with our neighbours to make our country safer; and Britain will continue to help set the rules of the market of 500 million people on our doorstep, and have a say over the future of the continent to which we are geographically tied. That's the picture of "in" – positive and definitive.

Instead, when the people campaigning for "out" are asked to set out a vision outside the European Union, they become extremely vague. It's simply not good enough to assert everything will be all right when jobs and our country's future are at stake. That's why today I want to set out some of the specific questions those who would leave the European Union must answer. They don't owe it to me; they owe it to us all, because at the moment what they are offering is a leap in the dark.

The first question is: what trading relationship would Britain have with Europe after leaving? Every country that's been granted full access to the Single Market has had to pay into the EU, and accept free movement of people – but has no say over rules that govern those things.

Just ask Norway; they pay roughly the same per head to the EU as Britain does, and they accept twice as many EU migrants, yet they have no say at the EU Council.

Another suggestion is to negotiate a Free Trade Agreement or similar with the EU, like Canada, Switzerland or Turkey. But none of these countries has an agreement that is any way as comprehensive as the Single Market. That's OK

for them – around a tenth of Canada's exports, for example, go to Europe; but around half of ours do. What's more, Canada's agreement, when it takes effect, will offer less access for services than we have now. But that sector makes up three-quarters of our economy. What would that mean for UK jobs in retail, insurance and creative industries?

A final option is to fall back onto the World Trade Organisation for trade. But this could be crippling for our industries, as we'd have to accept tariffs that are sometimes as high as 50 per cent.

The second question is: how long would it take to put a new relationship in place – and how great would the uncertainty be for families and businesses in the meantime? It took Switzerland a decade to negotiate their current relationship with Europe, and Canada seven years – and theirs still hasn't been implemented. Of course, those who advocate leaving Europe say we should just sign trade deals with other parts of the world. But how plausible is it that India, China or Brazil would sign a trade deal with us before they know what sort of new relationship we have with Europe?

While all this wrangling goes on, there would be huge amounts of uncertainty, and it would have an impact on investment and trade – and, ultimately, your job, the prices you pay and your family's finances.

The third question is about security. Today Britain has a whole set of arrangements with our European neighbours: the European Arrest Warrant, access to European criminal records, sharing information to stop terrorists coming to our country.

Do those who want to leave support this network of security cooperation? If not, they need to spell out how they intend to keep people safe. Do they propose individual agreements with 27 countries? How long would that take? Or do they propose an agreement with the EU simply to opt back into all of the arrangements again? Surely that would mean – again – we would be subject to rules we would have no power over influencing – the complete opposite of sovereignty.

Fourth, there's a bigger question about our role in the world: outside the EU, is Britain more able or less able to get things done? Of course, we're a strong country. We're the 5th largest economy in the world. We've got superb

armed forces. But think of the things that have threatened us in recent years: the prospect of a nuclear Iran; Russian aggression in Ukraine; the overwhelming impact of the migration crisis; the poison of Islamist extremism and terrorism.

European countries have to work together to deal with them, and it is through the EU that Britain has helped drive Europe's response. And they will remain issues if Britain leaves the EU. That doesn't mean we can't do things with NATO or with America – but there is a reason that our NATO allies want us to remain in the EU.

They can see clearly that our membership amplifies our power as a nation, and that now is not a time for disunity among Western nations.

As you consider these questions, bear in mind the process for leaving the EU, as set out in Article 50 of the European Treaty. A Leave vote would set the clock ticking on a two-year period to negotiate the terms of exit. If we failed to reach an agreement, all 27 countries would have to approve an extension, or we'd fall back onto basic rules. That means that, without an extension, our full access to the Single Market ceases and our free trade agreements around the world lapse overnight.

A year ago, the Conservative election manifesto contained a clear commitment: security at every stage of your life. Britain is doing well. Our economy is growing; unemployment is falling to record lows.

We need to be absolutely sure, if we are to put all that at risk, that the future would be better for our country outside the EU than it is today.

There is no doubt in my mind that the only certainty of exit is uncertainty; that leaving Europe is fraught with risk. Risk to our economy, because the dislocation could put pressure on the pound, on interest rates and on growth. Risk to our cooperation on crime and security matters. And risk to our reputation as a strong country at the heart of the world's most important institutions. With so many gaps in the "out" case, the decision is clearly one between the great unknown and a greater Britain. A vote to leave is the gamble of the century. And it would be our children's futures on the table if we were to roll the dice.

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BORIS JOHNSON MP, WRITING IN THE DAILY TELEGRAPH

“DO BREMAINERS REALLY THINK VOTERS WILL BE COWED BY THE LIKES OF OBAMA?”

So I gather they think it's game over. The Breainers think they have bombed us into submission. They think that we have just seen the turning point in the referendum campaign, and that the British people are so intimidated by these testimonials – American presidents, business leaders, fat cats of every description – that they now believe the British people will file meekly to the polls in two months' time and consent to stay in the EU; and thereby to the slow and insidious erosion of democracy in this country.

If that is indeed the view of the Remain campaign, they are crowing too soon. They are perhaps ignoring the resilience and thoughtfulness of many middle-of-the-roaders. One senior public servant – a man of no political party, and who had previously been on the fence – texted me after the US intervention and said he had been so outraged at President Obama's "back of the queue" remark that he had instantly decided to vote Leave.

But let us suppose that the Breainers are right in their complacency. Let's imagine that we all wake up on June 24, and discover that the people have indeed been so cowed and so perplexed by the scare stories that they voted to Remain. What then? There will be instant jubilation in Brussels, of course; champagne corks going off like Tchaikovsky's 1812 overture. Among the vast clerisy of lobbyists and corporate affairs gurus – all the thousands of Davos men and women who have their jaws firmly clamped around the euro-teat – there will be relief. Things will go on as they are; indeed, things will go into overdrive.

For more than a year now, Brussels has been in a self-imposed lockdown. Nothing must be done to frighten the children. The British referendum – that embarrassing and tedious genuflection to democracy – must be safely won; and then they will get their plans out of the drawer and get on with the business of building a federal superstate.

You may have noticed, however, that the euro crisis is far from over, and that the EU remains a gigantic engine of job destruction. Eight years after the disaster began, it is obvious that the problem is structural, not cyclical. In Spain, Portugal and Greece, a whole generation of young people has been sacrificed to the Moloch of the euro – and they are still on the dole. The Greeks are unable to pay their debts; the Italian banks have a €360 billion black hole.

In response, the EU plans "more Europe", a fiscal and political union, in which Britain would inevitably be involved.

Remember we were told we wouldn't have to pay for the Greek bail-outs? And then we did? According to the European Commission's Five Presidents' Report, which lays out plans to shore up the euro, the Commission wants to have a new European approach to company law, to property rights, to every aspect of employment law. Why? Because if the Germans are to be persuaded to engage in a perpetual bankrolling of the less prosperous regions of the EU, then they want proper Germanic rules to enforce good behaviour. He who pays the piper calls the tune. And Brussels can see only one way to save the euro – and that is to get Germany to pay, and therefore to allow Germany to call the tune.

Remember that twice in the last five years, the EU has removed a democratically elected government – in Italy and Greece – and installed Brussels-approved technocrats. It is a narcotic tyranny. They want to go on with the work of building a unitary state, in a way that is anti-democratic and ultimately very dangerous, since it will one day provoke real public anger.

Britain should not be involved in any of this – and yet we have absurdly and inexcusably given up our veto rights; and the whole process is going to be conducted within the "single market" – that is, the existing EU structures – so that we are morally and legally comprised, and share all the ensuing political and economic damage.

Inch by inch, month by month, the sausage machine of EU law-making will extrude more laws – at a rate of 2,500 a year, or perhaps even faster, once the referendum is out of the way. More and more people will exercise their unfettered rights to come to this country, putting more pressure on our public services. And eventually – when we are unable to take it any more – the UK will utter a faint sheepish cough of protest. Please sir, we will say, raising our hand in the EU Council, we need reform. And eyebrows will shoot up in a Batemanesque way. REFORM? they will say, in the tones of Lady Bracknell. REFORM? But you just had reform...

If there is one thing that proves the folly of remaining in the EU – in the hope that we can change things from within – it is the tragic poverty of that deal. The Prime Minister asked to restore social and employment legislation to national control; for a complete opt-out from the Charter of Fundamental rights; to stop the European court adjudicating on UK criminal law; to ensure that immigrants have a job offer before entering the UK; to revise the Working Time directive to protect the NHS; to reform the Common Agricultural Policy and the structural funds; and full-on Treaty change. What did we get? Two thirds of diddly squat.

We need to talk about that deal in the weeks ahead, because it shows how contemptuously we will be treated if we vote to remain. This is the last chance, in our lifetimes, to take back control – of £350m a week (and use some of that cash to deliver a seven-day NHS) – and the last chance to take back control of our democracy.

Of course the elites want to remain. They will always have power. The losers are the hundreds of millions of Europeans whose only power is their vote – their ability to sack their governments at elections. That power is being taken away. It is indefensible, and it will lead to real trouble. We can be stronger, richer, more influential if we vote Leave. In believing that we can all be scared into thinking otherwise, the Remainers are fatally underestimating the British public.

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REMAIN

NICK CLEGG MP, WRITING IN THE LONDON EVENING STANDARD

“NICK CLEGG: THE FIVE BIG FAT LIES BEING PERPETUATED BY BREXIT’S PROJECT FIB

The EU Leave campaigners are engaging in ‘truthiness’: if they don’t like a fact they just make up another one

A few years ago the American comedian Stephen Colbert, imitating a Right-wing shock jock, coined the phrase ‘truthiness’ to describe the art of asserting one’s beliefs as if they are facts. “Anybody who knows me knows that I’m no fan of dictionaries or reference books. They’re elitist.” he declared. “Who’s Britannica to tell me the Panama Canal was finished in 1914? If I wanna say it happened in 1941, that’s my right.

“I don’t trust books. They’re all fact, no heart.” Nigel Farage, Nigel Lawson, Michael Howard, Boris Johnson and the rest of the Brexit crew are increasingly treating the EU like Colbert treated the Panama Canal: they’re just making things up. If their heart tells them they don’t like a fact, they merrily make up another one. Every time anyone reasonably points out the risks of marketing ourselves out of the world’s largest marketplace they yell that it’s “Project Fear”. Yet they have come up with their very own Project: Project Fib.

Here, then, are the five fattest fibs from Project Fib:

The first is the claim that **our membership of the EU costs us £55 million a day**, a figure repeatedly used by Farage, Johnson and others. It’s a total con. As the fact-checkers at InFacts have found, in 2015 the net cost was in fact £17 million a day, or around 30p per person. For that entry fee we then get all the benefits that our access to the world’s largest single market brings, which the CBI has estimated to be worth £3,000 to every British household. So every man, woman and child materially benefits many times more than what we pay in.

The second is that, **when it comes to trade, the EU needs us more than we need it**. At a debate I took part in last week, this was the very first point made by Tory minister Andrea Leadsom. Again, totally bogus. Our exports to the rest of the EU represent around 12 per cent of our GDP but the EU’s exports to us are just three per cent of its GDP. Neither side will want a trade war but we should be under no illusion that the EU would have the much stronger hand to play in any negotiations if we left.

The third is that **fewer than 750,000 Brits live elsewhere in Europe, far fewer than the number of EU nationals who live in the UK**, a fib that Farage used against me in that same debate. But his figure is complete baloney. The Government’s own estimates a few years ago suggested around 2.2 million British people were living at least part of the year elsewhere, which is only slightly less than the 2.3 million EU citizens estimated to be living in the UK. The right to live and work across the EU is a two-way street.

The fourth is that **EU “red tape” costs British businesses £600 million a year**, a figure cited recently by Boris Johnson, and that the UK is run by a monstrously bloated bureaucracy in Brussels. For a start, this fib is based on the cost of applying regulations not just to business but to the public sector too. And, as with the £55 million-a-day figure, it takes no account of the return we get, either in terms of matters such as cleaner air or the huge benefits those same businesses get from being able to trade freely in the world’s biggest marketplace. And the European Commission is in truth about a 10th the size of Whitehall, employing around half the number of officials employed by HMRC alone.

But the fifth is perhaps the most pernicious. It is the claim that **if we withdraw from Europe we can somehow “reclaim our borders”** and wish the problem of mass immigration away. The Farages of this world like to suggest that if we were not part of the EU fewer desperate refugees fleeing war in Syria and elsewhere would seek to make their way here. What cynical nonsense. The truth is that we are not part of the borderless Schengen area and the thousands of traumatised individuals clamouring for refuge in Europe do not make a distinction between EU and non-EU membership. They just want safety and sanctuary. What’s more, if we want to trade with Europe in future as we do now, free movement will undoubtedly be part of the deal. That’s what Norway and Switzerland, which the Brexiteers love to cite as models, have found. Both have to sign up to the EU’s rules in order to be part of the single market (even partially in Switzerland’s case), and we would too.

If you believed everything the Eurosceptics said, you would think Britain was some impotent basket case, its leaders toothless, its businesses drowning in bureaucracy, and its fate in the hands of stern-faced Germans and perfidious Frenchmen all hellbent on helping hordes of dodgy foreigners clamber up the white cliffs of Dover.

But it isn’t. We are not a bulldog in a muzzle, unable to bark. We are the world’s fifth-largest economy. We sit at the top table of world affairs, from the G8 to Nato and the UN Security Council. We are among the world leaders in everything from green technologies and gaming to television dramas and top-flight football. All these things are enabled by our membership of the EU, not diminished by it.

The EU is not perfect. Of course not. We have a free choice to decide the fate of our country on June 23. But the least the Leave camp could do is stop fibbing its way to the finishing line. The claim from Ukip within hours of this week’s tragic events in Brussels that our EU membership is synonymous with terrorist atrocities marked a new low in Project Fib.

It is not Project Fear that you should worry about, it is Project Fib. The decision we will all make in a few weeks’ time is one that will affect the course of our country for decades. It should be made on the basis of facts, not truthiness.

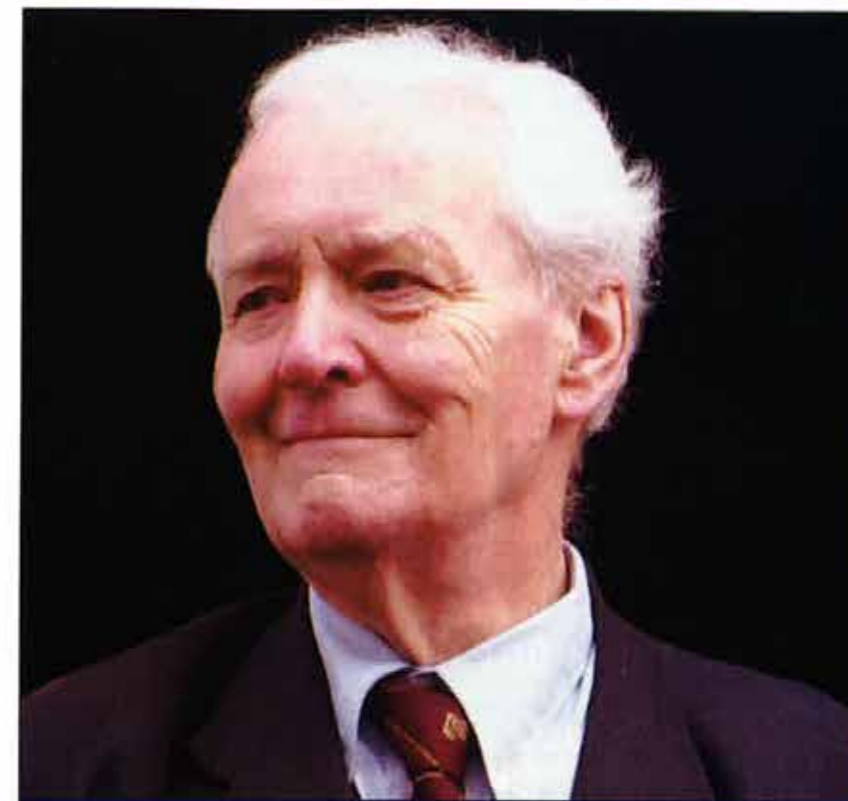
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THE LATE AND GREAT PARLIAMENTARIAN TONY BENN CRITICISED THE EU FOR ITS LACK OF DEMOCRACY IN AN ARTICLE HE WROTE FOR WETHERSPOON NEWS IN 2001

EXPECT THE UNELECTED

Superstate plan would take power from nations and give it to appointed commissioners

Tony Benn, the veteran Labour politician and former Cabinet Minister, who stood down as an MP at the last election, writes on the future of the European Union



“If we join the single currency, we shall lose the right of self-government through the ballot box”

The debate about the future of Europe has been re-awakened by the German Chancellor, Gerhard Schröder. He is supporting a plan that would absorb all the nations in the European Union into a Federal Superstate controlled by its own central government.

The plan, which is based on the German model that unites and controls its regions, would convert the parliaments of Britain and the other European Union countries into a mixture of regional assemblies and glorified local authorities, all of which would be subject to a central authority.

In this Superstate the real power would be in the hands of the appointed and unelected President of the Commission. He in turn would then have the right to appoint the other unelected Commissioners to form his Cabinet.

The Prime Ministers from the separate nations would be bundled together in a Second Chamber. Although part of the European Parliament, this Chamber would have no executive authority over the countries that elected them. As such, the whole concept is political and not economic.

INDEPENDENCE

This is the boldest plan yet produced by a European leader and its implications need to be publicly debated. New Labour attempted to avoid the issues of Europe and the euro in the run up to the general election earlier in the summer knowing that the public remained strongly opposed to the issue and the Tories would present themselves as the sole defenders of our independence and the pound sterling.

This is why the Government has cooked up five economic tests that have to be fulfilled before Britain can join the euro, as if some Treasury computer could tell us when to give up the democratic control of our own economy.

The integration of Europe is a political and not an economic question and must be seen as such since each step taken in that direction shifts power from the elected to the unelected, raising fundamental democratic questions.

It is very important that those who

oppose this do so for the right reasons, because it represents a steady erosion of the power of the electors, and not because they are taken in by crude nationalism that the Right uses with their dislike of foreigners.

DEMOCRATIC

In theory it would be possible to have a genuinely democratic United States of Europe based on the American model with an elected President, Senate and House of Representatives all rolled into one.

But to do so would involve the complete abolition of the Commission, the Council of Ministers and the European Central Bank in Frankfurt. For that reason it would be totally unacceptable to the European establishment as it would reveal their deep dislike of democracy, and would in practice be both unwieldy and unworkable.

What Europe should be working for is a Commonwealth that includes all European nations, both East and West.

They should be committed to cooperating and harmonising their policies step by step with the consent of each of their parliaments, rather like a mini-United Nations.

An Assembly and Council of Ministers could then be put in place to oversee the cooperating countries, albeit with no power to impose on any of those countries that want to pursue policies that meet their own particular circumstances.

What we do not want is to go back to the old hostility between the individual countries that led to two World Wars – and that is the danger of following the Tory party line.

GLOBALISATION

Internationalism is the proper response to globalisation. Those who believe that a federal Europe would protect us from the power of the multinational corporations are completely wrong as the European Commission is little more than a regional agent of globalisation, enforcing the diktat of the bankers in our own continent.

If Britain is persuaded to join the single currency we shall, forever, have lost the right of self-government through the ballot box and all key decisions will be taken by those we did not elect and cannot remove.

The views expressed in this article are not necessarily those of JD Wetherspoon

REMAIN

LEAVE

MARTIN WOLF, CHIEF ECONOMICS COMMENTATOR AT THE FINANCIAL TIMES, WRITING IN THE NEWSPAPER

“ ARGUMENTS FOR BREXIT DO NOT ADD UP..... ”

The top 10 points in favour of an exit and how to rebut them

If the UK voted to leave the EU, it would almost certainly be outside the arrangement organising the life of our neighbours and principal economic partners forever. Given this, the question is whether the option to leave should be exercised now. My answer is: absolutely not. To see why, let us examine popular arguments in favour of departure.

First, membership has brought few benefits. This is false. The Centre for European Reform estimates that it has raised trade with EU members by 55 per cent, increasing productivity and output. Trade creation within the EU has far exceeded diversion of trade from elsewhere. Europe has also brought a strong competition policy and control of state aid. These are important gains.

Second, membership has imposed huge costs. In fact the net fiscal cost is a mere 0.5 per cent of gross domestic product. Moreover, this could be regained in full only if the UK abandoned altogether its preferential access to the EU market. The UK is also one of the least regulated high-income economies. Its recent labour market performance demonstrates its continuing (and remarkable) flexibility. A study from the Centre for European Policy Studies adds that only “6.8 per cent of UK primary legislation and 14.1 per cent of UK secondary legislation” was passed in order to implement EU law.

Third, an increasingly integrated eurozone will dictate to the UK. Yet a full political union of the eurozone looks quite unlikely. Its members also differ on many points, which opens up opportunities for UK influence.

Fourth, the UK should leave because a eurozone break-up would damage the UK economy. If the eurozone broke up in a disorderly fashion, the damage to its closest partners might be substantial. Yet the EU will remain the UK’s biggest trading partner indefinitely. Thus the UK would be damaged by a eurozone break-up, whether in the EU or not. Arguing that leaving would shield the UK against such a disaster would be like arguing Canada should leave the North American Free Trade Agreement, to avoid a US financial crisis. It makes no sense.

Fifth, the UK should leave because the EU is slow-growing. It is plausible that the UK’s trade with the rest of the world will expand relative to trade with its slow-growing neighbours. But reducing access to EU markets deliberately would make sense only if membership prevented the UK from trading with the rest of the world. Germany’s export performance demonstrates that it does not.

Sixth, membership of the EU prevents the UK from opening up world markets. Yet the EU was a moving force in three successful global trade negotiations: the Kennedy, Tokyo and Uruguay rounds. It has increasingly turned towards preferential trade arrangements. The clout of the EU gives it far greater capacity to open up the markets of, say, China, India or the US than the UK could do on its own.

Seventh, it would be easy to agree on alternatives to EU membership. Yet

those recommending leaving have no agreed position. There are three plausible alternatives: full departure with trade regulated by the World Trade Organisation, which would cost the UK its preferential market access to the EU; Swiss-style membership of a trade arrangement in goods, with bilateral deals in other areas, which is complex and would require the UK to retain free movement of people; and Norwegian-style membership of the European Economic Area, giving full access (except for having to abide by rules of origin in trade in goods) but would deprive the UK of a say on regulations. In all, the more sovereignty the UK wishes to regain, the less preferential access it retains. This trade-off cannot be fudged.

Eighth, it will be easy for the UK to obtain whatever it wants from the EU. Sometimes this argument is buttressed by the statement that the rest of the EU runs a trade surplus with the UK, which it will be desperate to keep. This is naive. Divorces are rarely harmonious. Moreover, countries with big surpluses with the UK (notably Germany) would continue to sell their goods to the UK, even if Brexit led to a small rise in the import tariff. The share of UK trade done with the rest of the EU is also far greater than the share of EU trade done with the UK. Thus the idea that a departing UK could dictate terms is a fantasy.

Above all, those promoting departure ignore what the UK’s European partners think about the EU. The political elites, particularly of Germany and France, regard the preservation of an integrated Europe as their highest national interest. They will want to make clear to all that departure carries a heavy price. That price is likely to include attempts to drive euro-related financial markets out of London.

Ninth, it will be easy to reach an agreement on controlling immigration. But if the UK wanted to retain preferential access to EU markets it would be required to retain labour mobility. If, instead, it abandoned attempts to retain preferential access, it might then impose work permits on EU citizens. This would make the UK jobs market more inflexible, particularly for skilled people. As important, the EU would reciprocate. That would adversely affect British people working and living in the EU.

Tenth, the uncertainty associated with leaving the EU would be modest. In fact, the uncertainties would be pervasive: we do not know what the UK government negotiating an exit would want; we do not know what the rest of the EU would offer; we do not know how long negotiations would last; and we do not know what the outcome would be.

Those in favour of leaving offer fantasies of damage done by staying and of opportunity opened by departure. None of these arguments has much merit. The rational thing to do is for the UK to continue to enjoy its unique arrangement, which has brought it the advantages of membership with so few of the disadvantages. As our foreign friends tell us, to do anything else would be mad.



GERARD LYONS, MEMBER OF ECONOMISTS FOR BREXIT, WRITING IN THE TIMES

“ WE DON’T NEED TRADE DEALS TO BOOM AFTER BREXIT ”

Leaving will not only be good for business but will give us an outward-looking global vision

There is a strong economic case for Brexit. To understand it properly you have to steer clear of the group-think that often dominates economics.

The consensus was wrong when it said we should have joined the euro. It was wrong also when it said the UK would not have to leave the Exchange Rate Mechanism (ERM) and that if it did, inflation would soar, interest rates would rise and the economy would contract. The opposite happened: the pound fell out of the ERM on Black Wednesday and the economy recovered strongly.

Perhaps the biggest error in the economic consensus for Remain is the view that the EU will reform. The EU shows little desire to do so, highlighted by the uphill battle the prime minister faced in negotiating his deal last year.

This deal is rarely mentioned now, particularly our inability to secure a veto to stop the eurozone economies driving the future EU project solely for their benefit. This still worries many in the City, were we to remain.

Instead the debate has largely focused on trade. What everyone needs to appreciate is that we do not need a trade deal to trade. We trade across the globe with countries we do not have a trade deal with. Go into any shop, pick up an item and it will probably say, “Made in China”, a country with whom we do not have a trade deal. Likewise with the US.

Trade deals are largely aimed at protecting or promoting specific sectors, ensuring that they are shielded from international competition or given preference in the face of it. This is usually achieved through a combination of tariff and non-tariff barriers.

Therein lies a problem. The EU is a customs union. When students are taught economics the main evils they are warned about include hyperinflation, mass unemployment and customs unions. These are anti-consumer and protectionist. Professor Patrick Minford of Cardiff University has shown how the customs union means we pay much higher prices for food and other protected items, by between 10 per cent and 20 per cent. By contrast, Brexit would result in a fall in prices; we would be outside the EU’s tariff wall and food prices could fall to the level of world rates.

Trade within the EU should be easy through the single market. But the single market in services does not work properly, and is unlikely to do so in a way that benefits the UK, given EU opposition. Meanwhile, there is a tariff wall around the EU that protects agriculture, largely for the benefit of France, and parts of manufacturing, because of Germany. In these protected areas, people pay prices higher than in world markets. Caribbean sugar producers, for instance, or African agricultural exporters have frequently complained about the difficulty of selling their cheaper produce into the EU market. The losers from this are those local farmers as well as EU consumers (including ourselves), while the gainers are those who are protected by EU tariffs.

So what happens if we leave? Nothing would immediately change during the first two years. After that date the reassuring fact is that, at the very least, we would be able to trade freely with the EU, as we do now with China, the US and much of the globe, under World Trade Organisation (WTO) rules. Indeed, we would regain our seat on the WTO after Brexit and so speak for ourselves in the body that sets global rules, rather than the EU speaking for us. Such WTO rules will also make it very difficult for the EU to try to make an example of us to deter others from leaving.

The independent Economists for Brexit group shows that, overall, the UK will be a net global trade winner. For most goods, tariffs are low or non-existent because of globalisation. There may be some limited losers in areas previously used to EU tariff protection. The UK government and electorate can decide whether to use the £12.9 billion from our gross EU contribution after the rebate to help these areas, such as agriculture, while they adjust. The reality, however, is that the average WTO tariff is only 1.04 per cent, which is more a business cost than a deterrent to trade.

Of course, we could do trade deals if we want to; we could call this WTO Plus. Currently, the EU negotiates on behalf of all its members. Britain’s demands are only one among 28 member states, and services, which are the hallmark of our economy, do not figure large. The EU is slow at conducting trade deals and the one being suggested with America, TTIP, is clouded in secrecy and controversy.

Outside the EU, the UK could learn from the success of South Korea and Singapore, which have many trade deals. We could construct deals that were in our best interests, and ones that could be done with fast-growing economies across the globe.

If the UK wanted to construct a deal with the EU this is likely to be relatively straightforward on goods – as the pro-EU reform think tank Open Europe says – since it would be vital for jobs in EU countries, particularly Germany. In services, we would trade freely, as we do now.

Leaving the EU is about more than just a trade deal; it gives us greater democratic control, saves money and allows control of our borders. Yet the issue of trade highlights a choice between an inward-looking, insular EU, and an outward-looking, global vision that comes with Brexit.



LEAVE

THIS SERIES OF THREE ARTICLES BY MEP DANIEL HANNAN APPEARED IN THE DAILY MAIL

EXPOSED. PRO-EU CHEER LEADERS IN THE PAY OF BRUSSELS:

Euro MP DANIEL HANNAN reveals the REAL reason charities, quangos and lobbyists are desperate to keep Britain in the EU

- EU pays charities to back more EU powers on issues such as environment
- Throws cash at groups who pay it lip service – so they can claim to listen
- Officials pay EU 21% tax – so make decisions for others but don't feel them
- Thousands died because EU bowed to lobbying from diesel car faction

On Saturday, Euro MP Daniel Hannan asked you to sack him and so help abolish the fat-cat perks enjoyed by Eurocrats and Brussels politicians. Today, he reveals the back-scratching culture of Brussels, where it's the EU-funded lobby groups and quangos who are the loudest supporters of ever-greater union...

A recent public letter warning against Brexit argued that EU laws have 'a hugely positive effect' on the environment. It was signed by the heads of a dozen green pressure groups including Natural England, the Green Alliance, the RSPB and the Natural Environment Research Council. What was not mentioned was that the European Commission funds eight of the 12 organisations directly.

Of course, 'protect our countryside' sounds so much prettier than 'protect our grants', but you can't help wondering which issue motivated them more. It's a familiar ruse. The last time Britain had to approve a major transfer of power to Brussels was in 2007, when we ratified the Lisbon Treaty. Introducing the Bill in Parliament, the then Foreign Secretary, David Miliband, made a great song and dance of quoting a whole range of organisations in favour. 'The NSPCC has pledged its support, as have One World Action, Action Aid and Oxfam,' he said, looking pleased with himself. 'Environmental organisations support the treaty provisions on sustainable development, and even the commission of bishops supports the treaty. This is a coalition, not of ideology, but integrity.'

Integrity? It turned out every organisation he cited was in receipt of EU subventions. Hardly surprising, then, that they should dutifully endorse a treaty supported by their paymasters.

What was surprising was the extent of their financial dependency. When I asked the European Commission how much money it had paid these organisations, it emerged that Action Aid, the NSPCC, One World Action and Oxfam had among them been given €43 million in a single year.

So, can organisations in receipt of such colossal subs aidies legitimately claim to be independent? Can they even describe themselves as charities, at least in the sense that we commonly understand the word?

As for the 'commission of bishops', that turned out to be the 'Commission of Bishops' Conferences of the European Community', a Brussels-based outfit whose purpose was 'to promote reflection, based on the Church's social teaching, on the challenges facing a united Europe'.

In other words, while seeking to give the impression of broad support for a new transfer of powers to Brussels, the British Foreign Secretary was reduced to citing a body that would be out of business if the EU disappeared.

Back in 2003, when the European Constitution was first being drawn up, 200 organisations supposedly representing 'civil society' were invited to submit their suggestions on what it should contain. All of them were in receipt of EU grants.

This is how the system works. The EU funds an interest group. That group duly demands that Eurocrats seize more powers. Eurocrats then announce that, in response to popular demand, they are extending their jurisdiction. When the Commission sought new continent-wide rules on pesticides, it set up a group called Pesticide Watch — an amalgam of various EU-funded bodies — to push it in the direction it wanted. MEPs were then duly bombarded by emails from this campaign, presented as missives from ordinary citizens.

In much the same way, the Commission pays Friends of the Earth to urge it to take more powers in the field of climate change. It pays WWF (the World Wildlife Fund) to tell it to assume more control over environmental matters. It pays the European Trade Union Congress to demand more Brussels employment laws.

The EU machine-guns cash at its client organisations, these organisations tell it what it wants to hear, and it then turns around and claims to have listened to The People.

Virtually every field of activity has some approved, EU-sponsored pressure group to campaign for deeper integration: the European Union of Journalists, the European Women's Lobby, the European Cyclists' Federation.

These are not independent associations which just happen to be in receipt of EU funds. They are, in most cases, creatures of the European Commission, wholly dependent on Brussels for their existence. So when the Remain campaign tells us it has the support of some organisation or other, it is wise to check where their funding comes from.

Take UK Universities, which campaigns strenuously for the EU and claims that 'EU funding is too important to be sacrificed'. British universities have had close to €900 million from Brussels since 2008.

What UK Universities won't tell you is that all this money was, in effect, taken out of Britain's contribution to the EU. If Britain withdrew, it could make an equivalent or larger payment directly, rather than routing it through Brussels. Yet they still want to stick with the EU. Why? Because of what the economist Milton Friedman called 'the tyranny of the status quo'.

This does not just refer to the fact that human beings are change-averse, though we are. It refers, also, to the way in which a corpus of vested interests grows up around whatever happens to be the established settlement.



Eurocrats employed by Brussels are naturally gung-ho on the Remain side. They are well paid (with a very advantageous tax perk) and not about to bite the hand that feeds them. I can understand that. But some of those fighting hardest to remain in the EU are benefiting from the system at second-hand.

The 'Europe Officers' employed by local authorities; the financial regulators whose bread-and-butter work is the enforcement of EU rules; the representatives of the professional associations and trade unions that maintain a presence in Brussels; the bureaucrats who flit between their national civil services and lucrative Brussels secondments.

The professors whose chairs are endowed by the EU; the think-tanks that are contracted by the EU to carry out research projects on remarkably generous terms; the NGOs and charities in receipt of grants; the international aid consultants; the lobbyists, for whom the EU is a goldmine.

These recipients of EU largesse are likely to argue that Britain ought to have influence in Brussels, that the nation-state is passé and that the economy benefits from the EU. You are entitled to be sceptical about what they say.

My advice? Cherchez l'argent.

ONE of the reasons the EU is stagnating while other advanced economies grow is because cronyism and protectionism flourish in the undemocratic Brussels institutions.

Under this system, committees and technical experts meet and make trade-offs out of the public eye. It amounts to an invitation to lobbyists and pressure groups to reach secret arrangements behind closed doors.

No wonder lobbyists love the EU, intuiting from the moment they arrive that it was designed by and for people like them.

The grey, rainy streets of Brussels are to lobbying what Silicon Valley is to high-tech. There are reckoned to be around 25,000 of them plying their trade there as big business spends fortunes forging links with those who make the laws.

Oil companies, banks, new media outfits such as Microsoft and Google, pharmaceutical companies — all are at it, purchasing face-time to promote their vested interests. So, too, are causes such as Greenpeace, WWF and Oxfam.

What all these lobbies have in common, whether industrial or environmental, is a preference for corporatism and back-room deals.

What is bad about such a system is not just that it is intrinsically secretive and a paradise for vested interests. It also puts a major block on innovation and enterprise.

Vested interests rarely like innovation. Nor does the EU, which is, by its nature, hostile to anything new or different. Existing elites fear that the creative destruction of new inventions might jeopardise their position. They therefore lobby to keep things more or less as they are.

In the 28 member states, this isn't always easy to achieve. The individual nations are democracies with independent judiciaries.

But in the EU, whose institutions were designed by men who distrusted democracy, it is far easier to reach cosy accommodations with decision-makers. As for the will of the people, that can go hang.

Let me give you an example. Twenty million citizens around the EU make use of complementary health products, but in 2005, the EU began to regulate higher-dose vitamin and mineral supplements, herbal remedies and other alternative medicines.

In 16 years as an MEP, I have never had so many letters and emails from worried constituents, for whom this was a burning issue.

Now, there are arguments on both sides for these medicines. I was puzzled. Why did the EU want to ban or restrict substances that were at best health-giving and at worst harmless? Regulation should be brought in only proportionately and only where there is an identified need.

Of course, Eurocrats see it differently. In their view, 'unregulated' is synonymous with 'illegal'. The idea that an absence of regulation might be the natural state of affairs finds little sympathy.

British herbalists had been essentially self-regulating since a dispensation dating from the reign of Henry VIII, which gave them the freedom to trade without being prosecuted for witchcraft. In Brussels, this was regarded not as an ancient liberty, but as a loophole that needed closing.

Some of the large pharmaceutical companies, well understanding the Eurocratic mindset, saw an opportunity to put their smaller rivals out of business.

The new legislation required expensive tests that the big companies could afford, but which were beyond the means of small producers. As independent herbalists reduced the range of what they could sell, and in some cases went out of business altogether, the giants assumed a larger market share.

Now, who gained from that procedure and who lost? The multi-nationals did very well out of it, obviously. Consumers did badly. But the European economy as a whole suffered, too.

Whenever a cartel succeeds in raising barriers to entry, the climate becomes less congenial to start-ups, and some entrepreneurs take their energy elsewhere.

Lobbying by big business was also at the heart of perhaps the worst scandal ever to hit the car industry when it emerged last year that Volkswagen had been programming some of its diesel engines to cheat emissions tests. The discovery was, of course, a terrible blow to the company, but it raised another question.

Why had the EU, almost uniquely in the world, adopted standards that promoted diesel engines? While the American and Japanese governments were encouraging hybrid and electric cars, the EU struck out in a very different direction, enforcing emissions standards that focused on carbon dioxide (CO₂) instead of nitrogen oxide.

The diesel market was almost dead in the late Eighties, when Volkswagen revived the technology with its turbocharged direct injection (TDI) engines. European car manufacturers saw a market opportunity and set about lobbying for Brussels rules that would give them an advantage over their rivals.

It wasn't an easy case to make. Diesel emits four times more NO₂ than petrol and 22 times more of the tiny pollutants that penetrate our lungs, brains and hearts.

Yet, although diesel is generally the filthier fuel, it does produce 15 per cent less CO₂ than petrol. And so a massive operation was begun to sell the new standard as part of the Kyoto climate change process to reduce CO₂ emissions. Health risks were overlooked, and the conversation was skilfully turned to global warming.

It worked. During the mid-Nineties, the car companies negotiated a deal with the European Commission which prioritised a cut in CO₂ emissions over the more immediate health problems caused by exhaust fumes — an arrangement announced in 1998 by Neil Kinnock, the then Transport Commissioner.

According to Simon Birkett, of Clean Air in London: 'It was practically an order to switch to diesel. The European car fleet was transformed from being almost entirely petrol to predominantly diesel. Britain, Germany, France and Italy offered subsidies and sweeteners to persuade car makers and the public to buy diesel.'

As a result, diesel cars went from less than 10 per cent of the UK market in 1995 to more than half in 2012, with equivalent rises in other EU states.

Because the industry had been savvy enough to make its case in terms of climate change, the ministers and pressure groups who might have scrutinised what was happening gave carmakers the benefit of the doubt — up until the shock of the 2015 Volkswagen revelations.

In short, the EU was lobbied by a vested interest and adopted rules that increased air pollution and led to the needless deaths of thousands of European citizens.

No one set out deliberately to kill. No doubt the Brussels-based lobbyists acting for the car giants genuinely convinced themselves that they were saving the planet. Still, EU policy ended up killing many innocent people, in the commercial interest of one industrial sector. It was a terrible blunder.



LEAVE

“ WHY BRITAIN WILL NEVER GET WHAT IT WANTS IN EUROPE: ”

Seventy times, we tried to block EU laws. Seventy times, we failed.

Euro MP DANIEL HANNAN lays bare our impotence in Brussels

Ask yourself this fundamental question. If the United Kingdom were not already a member of the European Union, would you vote to join?

Or would you go along with Iceland, Norway and Switzerland, the non-EU nations that most resemble Britain, and steer well clear?

In all three countries — comparable to us because they are neither ex-communist nor micro-states — there are solid and settled majorities against joining the EU.

Supporters of membership have never been able to answer the crucial question asked by the leader of Norway's No campaign in 1994: 'To what problem is the EU a solution?'

Back in 1975, when the UK held its previous referendum, the then European Economic Community (EEC) did seem to offer answers.

This was the era of the three-day week, government controls on prices and incomes, power cuts, double-digit inflation, deficits and strikes.

Britain was in economic decline, outperformed by every European economy. When British people looked across the Channel, they saw what looked like a success story.

The then six members of the EEC had bounced back from World War II while we were close to collapse, dragged down by war debt, inflation, low productivity and lack of competitiveness. Linking ourselves to Germany's 'economic miracle' seemed sound sense.

Yet almost from that very moment, the problem we thought we were solving was changing. Although no one knew it at the time, the European economic miracle was coming to an end.

Just as Britain decided to join, Europe was about to be outstripped by other parts of the world. Our timing could not have been worse.

What's more, for the sake of closer trade ties across the Channel, we cut our links with Commonwealth countries we had long done business with and set aside sensible habits and traditions that had stood us in good stead for generations.

We were an island and a maritime nation with global reach, yet we chose to tie ourselves down to a mere continent.

People can argue over whether that made sense at the time, but what is indisputable is that it makes no sense today.

Never before has geographical proximity mattered less. In the internet age, a company in Luton can as easily do business with a firm in Ludhiana, India, as with one in Ljubljana, Slovenia.

Indeed, more easily. The Indian company, unlike the Slovenian one, will be English-speaking. It will share the British company's accountancy methods and unwritten business etiquette.

If there is a dispute, it will be arbitrated according to common law norms with which both are familiar.

Britain is the third largest investor in India, and many British firms that operate there, such as JCB, see no point in being in the EU.

India, for its part, is the third largest investor in the UK, owning more there than in the other 27 members of the EU combined.

When it comes to trade, though, it is a very different story. JCB cannot sell its machinery tariff-free from India to the UK, any more than can steel-maker Tata from the UK to India.

Why? Because commerce is controlled by the European Commission.

When Britain joined the EEC, we surrendered the right to sign independent trade agreements. As long as we remain, we have no vote and no separate voice in the World Trade Organisation.

Our interests are represented there by one twenty-eighth of a European Commissioner — at present a former sociology lecturer from Sweden.

Instead, the EU's Common Commercial Policy drags us into a trade policy that protects the various vested interests around Europe — Italian textile workers, Polish farmers, French film-makers and so on.

And this at a time when British trade with the rest of the world is growing, while our trade with the EU is shrinking.

Supporters of the EU like to tell anyone who'll listen that 'around half our exports' go to the EU. 'Around' is a flexible word. In 2006, 54.7 per cent of Britain's exports went to the EU. In 2015, it was 44.6 per cent. Where will it be ten years from now?

The fact is that the EU economy is struggling, hide-bound by its single currency. This year, Canada will grow by 2.3 per cent, the U.S. by 2.8 per cent, China by 6.3 per cent and India by 7.5 per cent. The UK will grow by 2.1 per cent, and the other non-euro European states by 3 per cent.

But the eurozone, after eight years of stagnation, is expected to manage only 1.6 per cent growth. Does Britain, despite her global links, want to remain attached to such a stagnant customs union?

At what point will we drop the bizarre argument that, for the sake of a dwindling minority of our commerce, we must merge our political institutions with those of other countries?

Will our children look back at the 2016 referendum and wonder why we missed such a unique opportunity to step amicably off the bus?

But Europe can improve, we are told. The fallback position of EU supporters, confronted with some indefensible Brussels policy, is to say: 'Well, that's something we ought to reform rather than just walking away.'

Brilliant! Reform! Why has no one thought of it before? In fact, the story of the UK's involvement, first with the EEC, then the EC, now the EU, is of constant attempts at reform. But we've failed time and time again.

Why? Because those who drive the pan-European project have a totally different agenda from ours.

You won't find many British politicians over the past 50 years, from any party, who openly favoured a United States of Europe.



Almost all wanted a Europe of nations — a flexible alliance of states, co-operating to achieve what they can't achieve singly, but ultimately responsible to their own democratic institutions.

If that model had ever been on offer, there would have been no argument, and we wouldn't now be holding a referendum.

The problem is that the EU has steadily been moving in a different direction.

The pattern has been the same from the beginning. Every British leader has promised a fresh start in Europe and has tried to win friends and gain influence over there by making some initial concessions.

Each has found that the concessions are pocketed while the EU continues its stately march toward federal union.

The EEC that Britain joined in 1973 as essentially a super-free-trade area has since extended its jurisdiction to foreign policy, environmental regulation, immigration, criminal justice and social policy. It has acquired the accoutrements of statehood, from uniformed armed forces to a standardised driving licence.

Now it aspires to a common tax and social security system.

A Common Market has been turned into a quasi-state. Yet still we delude ourselves, imagining the other members are on the verge of coming round to our point of view.

Today we're told that the euro crisis has revealed the limits of integration, or that the collapse of Schengen heralds a return to the pre-eminence of national authorities.

But there is no evidence that the EU's rush to closer union is slowing. In Brussels, the euro crisis was seen not as evidence that monetary union didn't work, but as evidence that it hadn't gone far enough and should be extended to economic and fiscal union as well.

Eurocrats and MEPs have begun to demand debt-pooling, fiscal transfers, a shared finance ministry and, ultimately, EU taxes.

These are not the loopy ideas of a few fringe federalists. They are the road signs that the EU plainly intends to follow.

Other aims include deeper integration of national labour markets, greater coordination of social security systems and harmonising insolvency law, company law and property rights.

If we remain, the UK will, of course, stand against all these things for a while, then be outvoted, and then sulkily go along with them. How do I know? Because that has been our story ever since we joined.

Since majority voting was introduced in the late Eighties, the UK has voted against an EU legislative proposal 70 times — and lost 70 times. No other country is so regularly isolated and outvoted.

This gives the lie to the Remain argument that being in the EU gives Britain influence. In fact, despite being the second largest financial contributor, we have very little influence.

As one Council official frankly admitted: 'Even the best idea can die if it's presented by the UK.'

This isn't because of some Eurovision Song Contest style prejudice against us. Britain finds herself isolated in the EU, not because of any conspiracy against her, but because she fundamentally differs from the others politically and economically.

Our economic outlook is different and we do not accept the EU's objective of political union.

There being no sign that the British people are ready to become patriotic citizens of Europe, that isolation will continue. Britain will carry on being outvoted and ignored.



HOW CAMERON BLEW HIS BIG CHANCE TO OBTAIN REAL REFORM

“ At present, opinion polls are evenly balanced on whether Britain should leave the EU. ”

But as soon as you throw in a third option — a looser deal, where we are in the common market but outside the common political structures — approval for staying in Europe shoots up to 70 per cent or more.

Which is why David Cameron decided to precede the referendum with a renegotiation, aimed at establishing some new status for us along those lines.

That renegotiation process demonstrated just one thing — how intractable the EU is and how disdainful its leaders are toward Britain's wishes.

In many minds, there were three core aims of a renegotiation.

- The primacy of UK over EU law on our own territory.
- The right to sign bilateral trade deals with non-EU states, such as Australia and India.
- The right to control who can settle in the United Kingdom.

None of these is in any sense immoderate or unreasonable. That they cannot be reconciled with EU membership tells us a great deal about the nature of the EU.

Cameron bottled it from the start. Initially, he set out a broad but shallow reform package. It was pretty modest — docile even — but these demands didn't even get past the exploratory talks stage. Before they were even properly discussed, out went:

- Restoring social and employment legislation to national control.
- A complete opt-out from the Charter of Fundamental Rights.
- Limiting the European Court of Justice's jurisdiction over criminal law.
- EU jobseekers to have a job offer before they come here.
- EU jobseekers to leave if they haven't found work in six months.
- Revising the Working Time Directive (to give the National Health Service more flexibility).
- Ending European Parliament sitting in Strasbourg as well as Brussels.
- Reform of the Common Agricultural Policy.
- Treaty change before the referendum.

This last point is critical. Without a new treaty, as all sides were aware, there would be no binding changes.

Yet Brussels had no intention of committing to a new treaty. The old rules — the ones we wanted to change — would still apply.

Britain was reduced to getting a declaration from the other heads of government to the effect that a few things might be looked at or reconsidered. That was it.

Cameron went into actual talks with just four remaining objectives — boosting competitiveness; protecting the position of non-euro states; strengthening national parliaments; and limiting migration.

The first two aims were never intended to be anything other than declaratory: 'more competitiveness' is a meaningless platitude as is 'protecting the status of non-euro states'.

It amounted to a declaration that Britain wouldn't have to join the single currency — something we had no intention of doing anyway.

As to the third commitment, the strengthening of national parliaments, all that has been conceded is a 'red card' proposal, which gives the national parliaments of the EU a theoretical right to block a Commission proposal if 55 per cent of them simultaneously demand it.

The right is, however, wholly notional. An existing 'yellow card' mechanism, which needs only 35 per cent of parliaments to be triggered, not 55 per cent, has been used only twice during the six years of its existence — and on one of those occasions it was ignored.

But the 'red card' measure isn't just useless; it is actively harmful. For the first time in its 750-year history, Parliament in Britain is formally recognised as a sub-unit within a larger polity.

This initiative treats the EU's national parliaments like state legislatures in the U.S. — which are empowered to make constitutional amendments if they club together in the right proportion.

Instead of being a sovereign entity, our Parliament implicitly accepts a subordinate status. And all in exchange for a blocking power that will never, in fact, be exercised.

Which leaves the fourth objective, the idea of restricting migration from the EU. What the PM originally wanted was an 'emergency brake' on migration, to limit the number of people who could settle in Britain from EU states. But Eurocrats told him that was no go. So, instead, he said he'd ban foreign nationals from claiming benefits for four years. People, the argument went, should put something into the pot before they can draw payments from it. Again, the Eurocrats said no.

Britain's surrender in those re-negotiations was nothing short of abject. Having gone in with paltry and unassuming demands, the leader of the EU's second-largest net contributor failed to get even those.

Our Prime Minister was forced to come back to his national parliament with what the Italians call 'fried air' — nothing at all.

If this is how they treat us now, when we might walk away and take our budget contributions with us, how would they treat us the day after we had voted to remain?



LEAVE

“ IF TINY GUERNSEY THRIVES OUTSIDE THE EU, WHY CAN'T WE – THE WORLD'S FIFTH LARGEST ECONOMY? ”

Concluding his definitive series, EU MP DANIEL HANNAN says forget the Remain camp's Project Fear. The real risk lies with staying in...

Yesterday in his insider's account of the EU, Euro MP Daniel Hannan exposed Britain's impotence in trying to deal with Brussels. Here, in the final part of his powerful series, he insists that our future could be very bright indeed — as long as we vote to leave...

Euro enthusiasts love to sneer at Brexiters like me: 'So what's your alternative? D'you want Britain to be like Norway? All cold and empty?'

'Or like Switzerland? Making chocolate? And cuckoo clocks? That's what you want, is it? Eh?'

It's tempting simply to answer that, if you're in a structurally unsafe building, the obvious alternative to remaining is walking out.

And with the migration and euro crises deepening, the EU is just that — structurally unsafe. So much so that staying in is a greater risk than leaving. But I know, too, that fear of change is deep in people's genomes, and we tend to vote accordingly.

Given the chance to win something of greater value by staking something of lesser value, we tend to make the mathematically irrational decision to stick with what we've got.

As Remain campaigners are well aware, referendums the world over tend to be won by whichever side is opposing change. And they can hardly be blamed for making change-aversion their key argument.

They don't want to get drawn into arguments about democracy, or sovereignty, or the EU's declining share of the world economy, or border control, or Britain's budget contributions. They'd much rather conjure up unspecified, inchoate fears about change.

Fear of the unknown has become the mainstay of their case.

One pro-EU friend, a Conservative MP, put it to me: 'It's like banks. Everyone moans about their bank. But how many people take their accounts elsewhere?'

To which I reply: Well, you'd move your account pretty sharpish if you thought the bank might fail. In my view, the EU is now so rickety that sticking with it can hardly be called risk-averse. Voting to leave is now the safer option.

What people need to understand before they choose which box to tick is that there is no status quo in this referendum. What we face, rather, is a choice between two futures, both of which we can sketch with some confidence.

One future involves being part of the continuing political amalgamation of the EU, a process that has been rumbling along since 1956, but in which we will cede control over the larger questions of foreign affairs, economics, security, human rights and citizenship to Brussels institutions.

The other involves a new relationship based on a common market, not a common government.

A vote to leave will result in a trade-only deal with the EU. We will remain part of the European free trade zone that stretches from non-EU Iceland to non-EU Turkey.

No one in Brussels argues that Britain would leave that common market if it left the EU. Given that every non-EU territory from the Faroe Islands to Montenegro has access to the European free trade area, it would be preposterous to claim that the UK, uniquely, would be denied full market access.

This is obvious when we consider that the balance of UK-EU trade is very much in our favour. The UK market is worth £289 billion, so the EU is hardly likely to turn its back on us.

Indeed, it needs our market more than we need theirs, so it is absurd to claim that non-participation in the various political structures in Brussels would mean trade coming to a halt.

We will keep our trade links and, like every other independent state, we will negotiate our own deal on departure, tailored to suit our own conditions and needs.

Will it be the Swiss, Norwegian or Icelandic model? No, none of these. It will be one especially for us.

In terms of trade, Norway gets a better deal than Britain currently does, and Switzerland a better deal than Norway.

But a post-EU Britain, with 65 million people compared to Switzerland's eight million and Norway's five million, could expect something better yet.

But won't we still have to conform to huge chunks of EU rules when we are outside, just as Norway and Iceland do?

Gasping and swooning with all the theatricality of Victorian matrons, EU supporters have claimed this as a clincher in their case. Yet that issue has proved to be more a problem in theory than in practice. Between 2000 and 2013, the EU generated 52,183 legal instruments, of which Norway and Iceland adopted fewer than 10 per cent (and the Swiss none at all).

In that same period, Britain, by contrast, had to apply 100 per cent of EU regulations to its economy. So even if we had to settle for a Norway or an Iceland-style agreement — which we won't — we would be far better off out.

The very fact of mentioning Norway and Switzerland will lead to more scoffing from the pro-EU campaign. 'How can you possibly compare us to those countries?' they will ask. 'Britain is very different.'

So, if Norway and Switzerland are too exotic for a true comparison, how about Guernsey in the Channel Islands? Guernsey is an English-speaking, common law, parliamentary democracy. Its currency is the pound. Its head of state is the Queen.

It is, for certain purposes, in political union with the UK. Its political system resembles ours in every way.

Except one. Guernsey is outside the EU. Essentially, it opts into the economic aspects of EU membership, but opts out of everything else.

The Channel Islands are outside the Common Fisheries Policy, outside the Common Agricultural Policy (except for import duties on non-EU produce) and outside the common rules on justice, home affairs, foreign policy, employment law and environmental regulation.

Guernsey is part of a free-movement area with the UK and Ireland, but controls immigration from the rest of the EU. Indeed, startlingly to British eyes, it really does have an immigration policy: its legislators vote on whom to admit, on what terms and in what numbers.

They set an annual population target, and issue their residence permits accordingly, mainly taking in temporary workers from Latvia and Madeira. They are currently debating how many Syrian refugees they might take in.



Parliamentary sovereignty evidently suits the people of Guernsey. Their economy has been growing steadily at around 3 per cent a year, their GDP per capita is one of the highest in the world, unemployment is in the hundreds and crime is virtually non-existent.

Ah, say EU supporters, but Guernsey is a tax haven — that's why it is doing so well.

If, by that, they mean there are lower taxes in Guernsey because — unfettered by Brussels — they can run their own affairs efficiently and attract investment, this is surely an argument for leaving.

'But you can't compare us to Guernsey,' the scoffers will then cry. 'It's tiny!' But are we seriously supposed to think that small nations can thrive outside the EU, but large ones can't?

It's extraordinary how quickly EU supporters switch from 'Britain has to be part of a bigger bloc' to 'You can't compare us to small countries'.

Apparently, we're simultaneously too large and too small to prosper. The Chief Minister of Guernsey is a hugely impressive man called Jonathan Le Tocq, one of the last islanders to have been brought up speaking the local Norman French dialect.

He studied in Paris and feels very European. But what he prizes above all is the sense of accountability intrinsic in the island's parliamentary system.

'People know that they're in control,' he told me. 'If they don't like a policy, they can get it changed'. Extraordinary, really, that such a thing should need saying.

Extraordinary, too, that Britain, which developed and exported the sublime idea that laws should not be passed, nor taxes raised, except by elected representatives, should now look enviously at its Crown possessions off the Normandy coast.

OUR PESSIMISM ABOUT OUR COUNTRY'S ABILITY IS STAGGERING

“ Please imagine that you are on a bus whose destination — a federalist United States of Europe — is clearly marked on the front.

Just in case any passengers have missed the point, the driver keeps calling out the stops ahead: common European taxation, a unified welfare system, an EU army. If you don't want to go to any of those stops, let alone the final destination, what should you do?

Should you remain motionless in your seat as the bus purrs along its route? Or should you politely get off and wave it on its way?

Yes, it takes nerve to do so, and Remainers play on our anxiety about change. The EU might be remote, they say, it might be self-serving, frustrating and arrogant and expensive and wasteful and corrupt, but can we be sure that the alternative won't be even worse?

The implicit pessimism here, the low opinion of Britain and her capabilities, is staggering.

Other countries take it for granted that they can live under their own laws while working with neighbours and allies. New Zealand shows no interest in merging with Australia, yet the Kiwis are not written off as insular Australo-sceptics who have failed to adjust to the modern world.

Japan is not applying to join China. But people don't hector the Japanese for being nostalgic Sinosceptics who simply can't get over the loss of their empire.

Self-government is the normal condition for a modern democracy. What we need is the self-confidence to grasp it while we can.

Are we prepared to use our faculty for reason, rather than be swayed by instinctive risk aversion? Are we prepared to aim, calmly and reasonably, for an economics-based deal that would suit both sides better than the current rancour?

Because, if not, the alternative is too awful to contemplate.

What, then, of a vote to leave? Where will that take us?

I have a very clear vision of what it will be like in an independent Britain if we're bold and determined. Just think ahead a few years.

It is 2020, and the UK is flourishing outside the EU. The rump EU, now a united bloc and known officially as the European Federation, continues its genteel decline, but Britain has become the most successful and competitive knowledge-based economy in the region.

Our universities attract the world's brightest students.

We lead the way in software, biotech, law, finance and the audio-visual sector. We have forged a distinctive foreign policy, allied to Europe, but giving due weight to the U.S., India and other common law, Anglophone democracies.

More intangibly, but no less significantly, we have recovered our self-belief.

As Nicolas Sarkozy, president of the European Federation, crossly puts it: 'In economic terms, Britain is Hong Kong to Europe's China, Singapore to our Indonesia.'

We remain full members of the EU's common market, covered by free movement of goods, services and capital, but we have also made a slew of free-trade agreements with the rest of the world, including the U.S., India and Australia. Non-EU trade matters more than ever.

Since 2010, every region in the world has experienced significant economic growth, except Europe. The prosperity of distant continents has spilled over into Britain. Our Atlantic ports, above all Glasgow and Liverpool, are entering a second golden age.

London, too, is booming. Eurocrats never had much sympathy for financial services. As their regulations took effect in Frankfurt, Paris and Milan — a financial transactions tax, a ban on short selling, restrictions on clearing, a bonus cap, windfall levies, micro-regulation of funds — waves of young financiers brought their talents to the City instead.

Our farmers, freed from the Common Agricultural Policy, are world-beating.

Our fisheries are, once again, a great renewable resource. Breaking free from the EU's rules on data management made Hoxton in East London the global capital for software design.

Scrapping EU rules on clinical trials has allowed Britain to recover its place as a world leader in medical research.

Universities no longer waste their time on Kafkaesque EU grant applications. Now, they compete on quality, attracting talent from every continent and charging accordingly.

Immigration is keenly debated. Every year, Parliament votes on how many permits to make available for students, medical workers and refugees.

Every would-be migrant can compete on an equal basis: the rules that privileged Europeans over Commonwealth citizens, often with family links to Britain, were dropped immediately after independence.

Unsurprisingly, other European states have opted for a similar deal to ours, including Norway, Switzerland, Sweden, Denmark, Turkey and Georgia.

The result is that the United Kingdom leads a 21-state bloc that forms a common market with the remaining members of the European Federation, but is outside its political structures.

Meanwhile, the 25 countries of the Federation have pushed ahead with full integration, including a European army and police force and harmonised taxes, prompting Ireland and the Netherlands to announce referendums on whether to follow Britain.

Best of all, we have cast off the pessimism that infected us during our EU years, the sense that we were too small to make a difference.

We are the fifth largest economy on Earth, the fourth military power, a leading member of the G7, a permanent seat-holder on the UN Security Council. We are home to the world's greatest city and most widely spoken language.

Our brands, from Wimbledon to Manchester United, from the Duchess of Cambridge to Downton Abbey, are recognised around the world.

We used to think of ourselves — in the phrase once used by the veteran actress Emma Thompson as an argument for staying in — as a 'tiny little island'. But not any more.

And, from our position of independence, we know we have plenty more to give.

This brave new world I have outlined here is within our grasp, if we bite the bullet and vote to leave the EU at the referendum in June.

Two futures beckon. Neither can be foreknown with total certainty. But there is one thing we know in our bones: a confident country does not fear to follow her own path. As the poet Robert Frost wrote:

Two roads diverged in a wood, and I —
I took the one less travelled by,
And that has made all the difference. ”

REMAIN



ANNA SOUBRY MP AND SMALL BUSINESS MINISTER, WRITING IN THE TIMES

“ TO REMAIN OR LEAVE? WHICHEVER SIDE YOU’RE ON, THE EU DEBATE IS HOTTING UP

What is good for Britain’s small companies is good for Britain. When small businesses are stronger, when they are better able to win orders, deal with cashflow and purchase more intelligently, our whole economy is stronger too.

This is why I am so concerned by the possibility that Britain could vote to leave the European Union and find ourselves cut off from our biggest customer. It is the greatest threat facing Britain’s small businesses.

The EU’s single market is our home market. It is the largest economic bloc in the world, the home to 500 million consumers and the destination of almost half our exports. It benefits smaller companies in two key ways — by ending barriers to trade both at and beyond the border.

At the border, the EU has eliminated tariffs on all products traded between its member states. This means the 200,000 British businesses which sell to Europe face no barriers to exporting to the world’s largest market. Likewise, any business that sources products from Europe benefits from this free trade.

Research by the independent Centre for Economics and Business Research has found that quitting the single market and trading under World Trade Organisation rules would increase the cost of imports by £11 billion a year.

There are complaints about the red tape that emanates from Europe and its impact on smaller businesses, but often being part of a club of nations means fewer burdensome rules to adhere to, and boxes to tick, not more. For example, beyond the border, the EU has created a framework of regulation, collapsing 28 different sets of national rules into one European standard.

This has cut the red tape that hits small business the most and made it much easier for them to start their export journey by selling into Europe.

Of all British small firms that export, 88 per cent do so to the EU and only 13 per cent sell to the big emerging markets.

And the single market is being extended into services, which are our greatest strength. The benefits will be incalculable, the costs of being outside it not worth thinking about.

I do not believe the EU to be perfect. Some small businesses say that EU regulations are, at times, too heavy-handed and unsympathetic to their needs. That is why the prime minister’s success in his renegotiation in securing a commitment to cut red tape is so important.

In most cases, we would need to copy EU standards even if we left, as Norway does. What is better for small business: being forced to implement rules we have no say over, or having British ministers and officials at the table in Brussels fighting to secure the best deal for UK plc? The Treasury estimates that if we adopted the Canada-style free trade deal with the EU, our economy would be 6 per cent smaller by 2030, worth £4,300 for the average household.

This is far from the worst case scenario. The Canada deal has taken years to negotiate and has still not been ratified, while other studies by independent organisations such as the London School of Economics find the cost of leaving Europe to be higher.

Small business owners understand that staying in Europe is by far the best choice. Those who want us to leave the EU are asking British business to take an extraordinary risk.

A leap in the dark away from our home market and towards unspecified and unlikely benefits of an exit would hit exports, purchasing and economic stability. EU membership is the best option for our small businesses and therefore, it is the best option for Britain.

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