

**"AN OPTIMISTIC VISION OF A POST-EU  
UNITED KINGDOM"**

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**DRAFT 7 10HRS**

**Business for Britain  
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## I. INTRODUCTORY REMARKS

What a pleasure it is to be with Business for Britain today. So much hangs on this organisation and its work. For a long time, the case for deeper European integration rested on an unsubstantiated yet largely unquestioned assumption that the EU suited our businesses. You are blowing that assumption out of the water.

Self-selecting surveys of CBI members may suggest enthusiasm for the Brussels system. But when firms are objectively polled by outside professional pollsters, a very different picture emerges. A major survey commissioned by your organisation earlier this year showed that, by 46 to 37 per cent, businesses believe that the regulatory costs of the EU currently outweigh the benefits of membership.

It will, I suspect, be some time before the establishment comes to understand that the CBI leadership and British business are two very different things. But, when it does, Business for Britain will deserve much of the credit. Patiently, factually, empirically, you are demonstrating that the big professional associations are not representative.

Yes, the EU may suit a handful of multi-nationals and mega-banks. It suits them, frankly, because, in many cases, they have invested time and money in lobbying Brussels to set regulations that help them and handicap their competitors. But these large corporations are not typical of business as a whole, either in this country or elsewhere in the EU. The overwhelming majority of people work in firms that have fewer than 50 employees.

Business for Britain has given them a voice. The thousand supporters whose names you published last month are genuinely representative. They cover manufacture and services, import and export, industry and finance, small medium and large companies. But they have one thing in common. Instead of being lobbyists or corporate affairs types, they are wealth creators, genuine entrepreneurs.

Now, at last, their agenda is being articulated. The case is being made for a relationship with our European neighbours that would suit all British companies whether they trade exclusively in our domestic market, the single European market or with continents beyond Europe.

## II. HISTORY OF THE EU

### **A political project from conception, masquerading as an economic project**

So today, I'd like to talk about the UK's relationship with the EU. How we have come to be where we are, and how we can get to where we'd like to be.

I will argue that the European project was always political but was sold to the British people as an economic project. We have now come to a fork in the road where we cannot follow the Eurozone into a more integrated political entity. As they move away from us, we should grasp the opportunity to leave the current political arrangements and negotiate a new settlement, while keeping our vital position in the single market. This will give us huge economic advantages and re-establish our position as a leading player, in our own right, on the world stage.

Let's start at the beginning. Not the entry terms accepted by Edward Heath in the early 1970s. Not even the Treaty of Rome of 1957. Nor the aftermath of the Second World War. The European project was forged in the crucible of the terrible battle of Verdun in 1916, which was observed by a young Frenchman, Jean Monnet. A decade later, working with Arthur Salter at the League of Nations, he devised the structure that was to become the European Union. It was published in September 1929 under the title "The 'United States of Europe' idea".<sup>1</sup>

Monnet's idea, therefore, pre-dated Nazism, the decline of European dominance in trade, the rise of the US and the USSR as super powers, the Cold War and the nuclear arms race.

Nevertheless, with an idea already ill-fitted to the new geopolitical realities of the post-war world, Monnet, as a senior French civil servant, was now in a position to push his dream of a politically unified Europe.

Monnet drafted the Schuman Declaration which led on the 18<sup>th</sup> April 1951 to six men gathering in the French Foreign Ministry's *Salon de l'Horloge*, to sign an accord unlike any other. The Treaty of Paris, which created the European Coal and Steel Community – the first direct ancestor of today's EU – did not just bind its members, including France and Germany, as states. Rather, it created a new structure, superior to national jurisdictions.<sup>2</sup>

The six signatories, scarred by the horrors through which their generation had passed, looked forward to a time when it would be impossible to wage a European war, because the materials needed to sustain one – coal and steel – would be under the control of a supranational bureaucracy.

Monnet became the first president of what he described as "the first government of Europe." Then, in a fit of hubris, proposed setting a European Army and a European Political Community, bound by a European Constitution.

But after this political project was humiliatingly rejected, Monnet realised that his ambitious dream could only be built gradually, bit by bit, never declaring too openly its ultimate aim.

This became known as the "Monnet method", or *engrenage*, to achieve political integration. The first of those steps was the creation of a unified trading area: a Common Market.

The launching of that "Common Market" with the Treaty of Rome in 1957 was never intended to be just an economic arrangement. It was the beginnings of an eventual "Government of Europe". If the Common Market had only been intended to be just a trading arrangement, why was it necessary for it to be run by those four central institutions inherited from the League of Nations: a "European" Commission, a Council of Ministers, a Parliamentary Assembly and a "European" Court of Justice?

Right from the start, the "European project", or "*Le Projet*", as it came to be called, was always regarded by its insiders as a political venture. We can now see from the Cabinet papers of that time how successive prime ministers, Harold Macmillan, Harold Wilson and above all Edward Heath were made abundantly aware, behind the scenes, that the ultimate goal was full political integration.

But they were equally well aware that they could not admit this openly to the British people.

So the public and Parliament were presented with a "Common Market" - an economic project that joined together those original six nations, led by Germany and France, whose economies in the Fifties had made such a miraculous recovery from the war.

In fact, at the signing of the Treaty of Rome, the French economy had been enjoying growth rates unrivalled since the 19th century. In 1964, for

the first time in 200 years, its GDP had overtaken that of the United Kingdom. In Germany, the effects of the *Wirtschaftswunder* were in full flow. In ten years, industrial production had multiplied fourfold and the purchasing power of wages had increased by 73 percent.

By then, having "lost an empire and not yet found a role", Britain had become the sick man of Europe.<sup>3</sup> Three years after joining the Common Market in 1976, it had the humiliating experience of calling in the IMF to "rescue" the pound.

It took Mrs Thatcher to resolve the very issues which had been dragging down our economy. It was her policies, not membership of the EEC, which set us back on course to economic prosperity.

By then what had become "the European Community" was galloping through the next stages of political integration: first the Single European Act, another step towards a "single Europe"; and then Maastricht, the treaty which turned the Community into a "European Union". This finally set on its way that supreme symbol of European integration, a single European currency.

We owe a huge debt of gratitude to John Major and Norman Lamont for negotiating at Maastricht an opt-out from the euro. Looking back, our decision not to join the Euro will be seen as the crucial moment in our relationship with the EU. Without that we would be caught in the same death spiral that is now dragging down the entire Eurozone economy.

### **III. MOTIVATION FOR A FULL POLITICAL UNION EXPOSED Contemporary Examples**

It is no longer possible to disguise the political nature of the European project now that Monnet's idea of a European Constitution was realised in the Lisbon Treaty of 2009 – despite it being rejected by the French and the Dutch in referendums of 2005.

In this light, we see the same pattern again and again: the adoption of EU national symbols, the euro, the social chapter, the phasing out of national vetoes. First, we'd be told that it wasn't on the agenda at all. Then we'd be told it was technically on the agenda, but not to worry as the UK had a veto. Then, without any intervening stage, we'd find the thing was inevitable, agreed in principle years ago, and that there was no use complaining now.

The euro, was always seen as a crowning achievement of a political project – even at the expense of economic sense. The result, as we see today, is that it has turned much of Europe into an unhappy land of semi-permanent recession.<sup>4</sup>

It is also worth reflecting how our respective fortunes have changed. Now after decades of social Europe the boot is on the other foot.

The bloc is now weighed down by its burdens and unable to deliver the growth which will restore prosperity. The economy is fatally unbalanced. Public spending takes 48.5 per cent of its combined GDP, yet the total employment rate stands at a mere 64.1 per cent.<sup>5,6</sup>

As Angela Merkel said recently, "Europe accounts for just over seven per cent of the world's population, produces around 25 per cent of global GDP and 50 per cent of global social spending".<sup>7</sup>

Nothing more exemplifies the determination to pursue the political project regardless of economics than the manner in which the euro has been supported in breach of treaty provisions. As Christine Lagarde as French Finance Minister said:

We violated all the rules because we wanted to close ranks and really rescue the euro zone. The Treaty of Lisbon was very straightforward. No bailouts.<sup>8</sup>

Whatever we think we have agreed to, as long as supreme power is exercised by the European Commission and Court, the rules can be changed after the event.

We have now come to the fork in the road. The Eurozone has to become, in effect, a new country to make a full redistributive federal state where there are legitimate means of transferring funds from the wealth creating areas such as Bavaria, Baden-Württemberg or Noord-Brabant to places like Andalucía, the Mezzogiorno and the Peloponnese where it is simply not possible to create wealth at the rate at which their countries joined the Euro.

In order to make such a shift legally watertight, particularly with reference to German constitutional arrangements, it is most likely that they will eventually need a new treaty.

In short, it is not so much that we are leaving the EU, as much as the political project of the EU has left us.

#### **IV. LOSING INFLUENCE WITHIN THE EU**

There is little we can do to change things from the inside, as we are outvoted. When we joined, the UK had 20 percent of the votes in the European Parliament, today we have 9.5 percent. We had 17 percent of the votes in the Council of Ministers, now we have eight. The UK has not managed to block a single proposal from the Commission passing through the Council despite trying 55 times.

In the meantime the cost of membership has risen by 200 percent in the last decade during which our economy has grown by only 14 percent and adding further insult, since Tony Blair bungled the negotiations on the rebate for non-reforms of the CAP we have lost £10billion. The latest extraordinary twist was the demand from the EU for £1.7billion. Much of this is well known and publicly debated but a further damaging feature of the current arrangements is the issue of disallowance. This is effectively a fine imposed in a frequently arbitrary manner on a member state by unelected officials in the Commission bureaucracy.

I was astonished to find on my first day in DEFRA that the UK is paying £600 million in disallowance back to the EU for the incompetent manner in which the last CAP reform was implemented by the last Labour government.<sup>9</sup> Many people are unaware that UK Cabinet Ministers make daily decisions on issues not according to the merits of the case but on a fine judgement as to whether a certain course of action may incur infraction proceedings followed by a large disallowance claim. Totally unpredicted and capricious interpretations of nuances of European law by Commission officials can also have a catastrophic effect on real people and businesses. Currently, 2,000 jobs may be at risk because the rules on emissions affecting Aberthaw power station in South Wales have been summarily re-interpreted.<sup>10</sup>

I was further alarmed by our inability to influence decisions at European level on the issue of neonicotinoids. I had clear scientific advice that these were safe to use and considerably better for the environment than any alternatives. But I also received 85,000 e-mails as part of a Europe-wide campaign organized by Green NGOs. The Commission rolled over under this pressure and imposed a Europe-wide ban, ignoring my call for more field trials. It is worth reflecting that the Commission paid €150 million (£119 million) to the top nine green NGOs between 2007 and

2013. It's therefore shocking that Professor Anne Glover, the European Commission President's scientific advisor, was sacked last week and her post abolished. Her views on GM foods supported the UK Government, but were repellent to the "Green blob".

#### **IV. LOSING INFLUENCE ON THE WORLD STAGE: 1/28<sup>TH</sup> OF A CHAIR OR A WHOLE CHAIR AT 'TOP TABLES'**

Above all, this illustrates how often our Ministers are over-ruled. We are told that being outside the EU would significantly diminish our influence by removing ourselves from the negotiating table of the world's largest trading bloc.

Nothing could, in fact, be further from the truth.

Decision-making takes place at a global level through a variety of bodies and regulations. And we do not have seats at these "top tables" as we have handed power to the European Commission to represent us along with 27 other Member States. On these global councils, we have one twenty-eighth of one seat.

What so very few understand about this process is that the game changed substantially in 1994. It was then that the EU adopted the WTO's Technical Barriers to Trade (TBT) Agreement.<sup>11</sup> This incredibly important instrument requires the participating parties (including the EU) to adopt international standards in preference to their own. Thus, if any other international body, adopts standards which impinge on the EU's laws, it is obliged to scrap them and implement the new standards.

This provision is not optional. The Agreement uses the word "shall", which is why the EU has no choice but to progressively replace its laws with international rules.

As DEFRA Secretary, I was only too well aware of how these changes affect us. Many of the Single Market food standards my former department has to implement are no longer made in Brussels. They have gone up a level and are now made by *Codex Alimentarius*, which reports to the UN's Food and Agriculture Organisation (FAO), in Rome. Yet we would often learn of them only after they had been handed down to Brussels and when it was too late to change anything.

This is no small matter. As well as *Codex*, the FAO hosts two other standard-making organisations, the *Office International des Epizooties*



(OIE), which deals with animal health, and the International Plant Protection Convention (IPPC).<sup>12</sup> Both fix standards which are adopted by the EU as Single Market legislation, only then for it to be passed back down to us. Once they are set at international level, Brussels does not have the power to change them.

I was particularly struck on a visit to New Zealand 18 months ago how my counterparts saw how vital it was to build alliances and work with like-minded nations to promote legislation or amend other countries' proposals. At that time they were particularly exercised about a specific proposal on the OIE affecting the sheep industry crucial to NZ farmers. They were particularly pleased to have got the Australians on side and believed that gaining the support of Canada and the US would see a key amendment through.

When I asked why they had not asked for the UK's influence on this matter, they said that the UK's position was entirely represented by the EU: even though we have one of the largest sheep flocks in the world. I left feeling stung by these comments and totally disheartened by our lack of influence but also galvanised by the belief that we could serve our own industries so much better if we, as a sovereign nation, retook our rightful place on these various global regulatory bodies.

Similarly, Norway's position is abusively dismissed as simply submitting to EU law by fax machine. Norway is a member of the EEA, the area of the 28 EU member states and the three EFTA states. Norway has a huge fishing industry and plays an enormously important role in promoting regulations concerning fish in *Codex*.<sup>13</sup>

The fact that when a regulation is finally agreed, it is formally disseminated to all members of the EEA including Norway, is wholly irrelevant to their key role in negotiating the detail alongside the EU. Once the regulation is agreed at international level by Norway and the EU it cannot be changed by the EU. Norway makes representation to Codex by itself, and the UK could do the same. These are regulations we will need to submit to either way, so why not submit to them having had a decent chance to influence them as Norway does?

The range of international standards shaping the Single Market *acquis* is staggering. In the all-important car industry, for instance, the regulatory focus has moved from Brussels to Geneva. There, the EU's Single Market standards start as "UN Regulations" produced by the World Forum for

the Harmonisation of Vehicle Regulations. Known as WP.29, it is hosted by the United Nations Economic Commission for Europe (UNECE).<sup>14</sup>

European vehicle production is extraordinarily integrated; the UK produces 1.6 million cars but produces 2.6 million engines.<sup>15</sup> Most of these engines are exported to Europe. As we move to world standards of vehicle production we would be at a massive advantage if we were directly represented, on the body influencing standards, in our industry's interest.

Then there is the regulation affecting the financial services industry - which is of such great importance to the City of London. In the past, much of this was made in Brussels. Now, most of the important rules come from the Basel Committee on Banking Supervision.<sup>16</sup>

As important is the Paris-based Financial Stability Board (FSB), chaired by Mark Carney. Founded in April 2009 by the G20 and working with the OECD, it has a mandate to coordinate national financial authorities and international standard-setting bodies. It is also tasked with developing and promoting the implementation of effective regulatory, supervisory and other financial sector policies.<sup>17</sup>

In the past, Ministers had to travel to Brussels to make their case, and to keep an eye on new laws, but with the advance of globalisation we now need to be represented in Geneva, Paris, Berne, Rome and elsewhere.

Outside the EU, we would be working directly with these organisations, building alliances with likeminded nations, deciding the rules the EU is obliged to adopt – as do Norway, New Zealand and the United States.

## **V. BOTH A SINGLE MARKET AND GLOBAL TRADE**

### **a) A single market**

It is critical to remember that the economic Single Market and the political EU are not one and the same thing. We are perfectly at liberty to pursue participation in the Single Market without being saddled with the EU as a political project. Membership of the EEA allows full participation in the Single Market without being in the EU, as enjoyed by Norway, Iceland and Lichtenstein. Those such as the CBI, who confuse the memberships of the Single Market and the EU are making a basic error and misleading the British people.

The argument that leaving the EU would damage our ability to continue this trade with our European neighbours massively underestimates the huge selfish and strategic interest that our neighbours have in ensuring our continued lively position in the Single Market.

In 2013 the EU exported £221bn of goods to the UK supporting 5 million jobs on the continent. We exported £155bn of goods to the bloc, leaving a deficit on account of £66bn, up from £40bn in 2011. We imported £57bn-worth of goods from Germany and £24bn from France, with a surplus between these two countries of £30bn.<sup>18</sup>

Given these surpluses, it is hard to imagine that our EU trading partners would wish to break off trading relations. To suggest that leaving the EU would put at risk three million jobs attributed to UK exports to the EU is, therefore, puerile because we will continue to export to the Single Market. The EU does not deliver jobs. It is the Single Market comprising the 31-member EEA which delivers.

So we can leave the political project and enter into a truly economic project with Europe via the European Free Trade Association (EFTA) and the EEA. We would still enjoy the trading benefits of the EU, without the huge cost of the political baggage.

## **b) Global trade**

However, freedom from the political trappings of Europe would free us from restrictions and penalties in developing trade with nations outside the EU.

The UK has successfully traded all around the world for centuries. In addition to our trade with Europe post-EU, we can expand trade with global partners. And other bodies exist that can determine regional trade relationships with Europe, free from direct control of Brussels. Every continent on Earth is now experiencing economic growth except Europe. China grew by 7.7 per cent in 2013 while the EU shrank by 0.3 per cent, for example.<sup>19,20</sup>

The UK should take a lead in kick-starting a programme of regulatory convergence to rebuild the global trading system. Regulation is often much misunderstood. Much of it is restrictive and costly, to be avoided, but a distinction needs to be made between proscriptive and enabling legislation. Well-crafted enabling laws which set global standards, prevent importing countries from creating their own blocking legislation

which restricts trade. We should focus on making sure that the global *acquis* is well-crafted and relevant, breaking down barriers rather than building them.

The UK could regain its role as a driver for international free trade. The post-WWII settlement saw the re-emergence of multilateralism, with GATT and then the WTO, only then to have the movement founder on the Doha round, from which it has yet to recover. The Director-General of the WTO, Roberto Azevedo, says his institution has descended into "paralysis".<sup>21</sup> By any measure, multilateralism is on life support.

However, bilateralism is not faring any better. Huge regional trade deals, such as that between the EU and the US under TTIP, are in theory immensely beneficial. But having discussed the agricultural element, of the proposed TTIP deal with my then counterpart in Washington, it was clear that a trade deal worth \$300 billion could easily fail on the Greek insistence on an exclusive definition for Feta cheese and the American defence of washing chicken carcasses in chlorine.<sup>22</sup> It was frustrating to see how much we agreed with the Americans on so many issues and their potential enthusiasm for pursuing a bilateral trade deal with us.

Rather than wasting energy on seeking agreements on things we will never agree, therefore, we need a change of strategy. We should focus more narrowly, concentrating on the things we can agree about.

We should be looking at "unbundling" – separate, unlinked deals, made at sector or even product level. These are deals which can be reached quickly and easily without the baggage that goes with so many free trade agreements.

Two key targets alone could yield huge dividends: the pharmaceutical and automobile sectors. Rationalisation applied to the global pharmaceutical industry, with a turnover close to one trillion US dollars, could deliver annual savings in the order of \$50 billion without any fundamental changes to the regulatory system.<sup>23</sup> Lack of regulatory standardisation between the EU and US adds 20 per cent to the costs of exporting cars to the United States.

### **c) Immigration**

While we are talking about the realities of globalisation, it is important to look at the issue of migration – an issue that featured so heavily in last week's by-election in Rochester and Strood.

In the first instance, immigration in other EU/EEA countries is very much higher than in the UK. Against the UK with its 13 per cent, Norway is 14.9 per cent and Switzerland is 23 per cent.<sup>24</sup> Outside Europe, the Australian points system much lauded by UKIP has 27 per cent first generation immigrants.<sup>25</sup> Clearly, there is a lot more to immigration than just the "freedoms" in the EU treaty, and there are many measures we can take – and already are beginning to take – which can help reduce migrant pressure.

Furthermore, much of the problematical immigration into this country stems not just from the EU but from the European Convention of Human Rights. This is exacerbated by the rulings of judges in the court at Strasbourg and by our own UK courts implementing the Human Rights Act. Repeal of the HRA and adoption of new Bill of Rights, breaking free from the ECHR, would also relieve us of migrant pressure, including such absurdities as not being able to deport illegal immigrants who come to us via Calais, because – according to our judges – France is not a "safe" country for asylum seekers.<sup>26</sup>

Outside the EU and freed from the writ of the ECHR, "freedom of movement" within the EEA could be limited to free movement of workers, without having to accept dependents and members of their extended families.

This is exactly what David Cameron wants when he said last year that he thought free movement within the EU "needed to be returned to the original concept, which was the freedom to be able to go and work in another country".<sup>27</sup> But, if we are to benefit from the Single Market, we must at least accept that provision.

And we must look seriously at migration as a global issue with massive economic and developmental implications. In Africa alone, the "brain drain" to sophisticated Western economies has cost emergent nations nearly \$9 billion in lost human capital and growth potential since 1997.<sup>28</sup> It would be so much better if we could work together to expand this capital to our mutual benefit, growing their own economies. The UK needs to be fully involved at a global level, integrating its entire range of relevant policies to that end – foreign policy, aid, trade, defence, and domestic portfolios – all to address the "push" or "pull" factors which drive the mass movement of people.

## **VI. AN OPTIMISTIC, POSITIVE VISION – THE UK AFTER THE EU**

So where could we be by 2020? The biggest problem we face is that until now nobody has painted a really optimistic picture of our future should we stand aside and allow the Eurozone to press on, forging a new political entity. This would allow us to embrace wholeheartedly the Single Market through an EEA/EFTA arrangement and claim back our deserved place on the key world decision making bodies.

We are set to be the largest economy in Europe and the fifth largest in the world. The English language is the language of world trade. We have exceptionally close relationships with not only the US but the whole of the Anglosphere: Australia, Canada and New Zealand. We have unique links to the Commonwealth whose trade is worth around \$4 trillion.<sup>29</sup> From within this great organisation, we can work closely with large numbers of African nations who are beginning to emerge into prosperity. We have especially close links to the growing nations of South Asia.

Likewise, strong historical ties with Hong Kong, Malaysia and Singapore which have in no way marred our ability to work with the emerging superpower of China. Our geographical position, equidistant from Los Angeles and Hong Kong gives London, the world's most international city, a huge advantage.

It is hard to think of any other country that can benefit more from its unique position, its long history of international trade and global cooperation whilst also embracing all the advantages of modern technology in a dynamic 21<sup>st</sup> Century economy. We should grasp this opportunity to gain an enormous advantage for our children and grandchildren.

Our democratic institutions and not just our common law system but our respect and adherence to the rule of law, have been exported around the world. We simply do not need to have our lives ruled by an organisation in which our own elected politicians can be overruled by unelected civil servants and whose concept of government emerged from the horrors of the First World War.

I would like to see our Government brought back within the control of our own Parliament. Ministers should be properly accountable to Parliament for all aspects of Government. This would give the British people the ability to remove their real rulers by voting. Our politics would be reinvigorated. I find it extraordinary that many in our establishment mock this prospect. As a nation we are second to none in so many spheres

of human activity. Our universities, scientific research, medicine, arts, music, literature and sports lead the world. Why do we doubt our ability to represent ourselves on the world stage?

## **VII. AN ORDERLY EXIT – INVOKING ARTICLE 50**

There is too little discussion on how we should engineer an orderly transition from our position as a half-hearted member of the EU to a confident, independent member of the global community.

In my view, the public will never fully commit to the independence they most likely want unless we can show that a smooth, orderly transition is possible. In other words, answering the question of *how* we leave the political arrangements of EU is every bit as important as addressing the question why. Even people who are broadly in favour of withdrawal are unlikely to commit to the process unless they are assured that all the angles have been covered. A definitive plan will give the necessary reassurance.

Voters have not been presented with a clear vision of what life outside the EU would look like for the UK and in the absence of any detail I am convinced that if an "in-out" referendum were held today, there would be a natural tendency to vote for the status quo. The establishment view will be clearly to stay within the political organisation of the EU.

The answer to this is to invoke Article 50 of the Lisbon Treaty. It is the only legally binding mechanism that we can use to require the rest of the EU to enter formal negotiations with us, on setting out a new relationship. It allows two years for negotiations, so there would still be time for a referendum in 2017. This would now be on the outcome of the talks, when the details of the settlement would be known.

There should be a manifesto commitment to invoke Article 50 after a successful General Election. Such a commitment could be enormously attractive to uncommitted voters and would give our negotiators a very clear mandate.

On such a basis, the referendum can allow the British people to make an informed choice, as between leaving the political project of the European Union, whilst enjoying the advantages of the Single Market, or committing fully to political integration, which should include participating in the single currency.

Once the decision to invoke Article 50 has been made, agreement should be concluded as rapidly as possible. But speedy negotiations impose certain constraints. We should remember that the Swiss bilateral agreements with the EU took 16 years to negotiate.<sup>30</sup> The much-vaunted EU-South Korea FTA took almost 18 years to come to fruition – in the form of a 1,336-page trading agreement.<sup>31</sup>

We need, therefore, to pick a proven, off-the-shelf plan. However, our participation in the Single Market is fundamental to protecting the UK's economic position. This brings us to the only realistic option, which is to stay within the EEA agreement. The EEA is tailor made for this purpose and can be adopted by joining EFTA first. This becomes the "Norway option". We have already seen that Norway has more influence in international decision-making than we do as an EU Member State. Using the EEA ensures full access to the Single Market and provides immediate cover for leaving the political arrangements of the EU.

To ensure continuity and avoid any disruption to the Single Market, we would also repatriate the entire *Acquis* and make it domestic law, giving us time to conduct a full review in good order.

However, we should reflect that it took 40 years to progress to this stage of integration and we are not going to resolve all the issues in one stage. For the longer term, we would need to progress from the EEA to ensure a genuine Europe-wide Single Market, working on a truly intergovernmental basis. One possible alternative would be to strengthen the regional UNECE regime to administer this as an economic project. By negotiating directly across the board, we would cut out the middle man, and substantially enhance the transparency of the system.

With a more durable European solution, we would be better able to promote our economic interests, we would also be able to take a lead in revitalising international trade. Free from the EU we would have real influence on shaping the global regulatory models where true power lies. The UK would have a key role in building transparency with enormous benefits to tackling organised crime, such as human trafficking, addressing issues of migration constructively.

In conclusion, the Eurozone has already embarked upon a path that we can never follow. We are simply recognising that reality. We must either be fully committed to "*Le Projet*" or we must build an entirely new relationship. The British people must be allowed to make that decision. Article 50 is the best method of making this happen.



By this means we would forge ahead and resume our rightful place as a global leader. With our own independent status, working closely with our many allies, we would massively increase our influence.

As Churchill said, "We have our own dream and our own task. We are with Europe but not of it. We are linked but not comprised. We are interested and associated but not absorbed".<sup>32</sup> He was right then and he is right now. Get this message across and the UK has a spectacular future as a flourishing world power.

## ENDNOTES

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<sup>1</sup> Published in book form in 1933 under the title: "The United States of Europe and Other Papers", by George Allen & Unwin Ltd, pp.84-104.

<sup>2</sup> [http://europa.eu/legislation\\_summaries/institutional\\_affairs/treaties/treaties\\_ecsc\\_en.htm](http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_ecsc_en.htm)

<sup>3</sup> Quote from Dean Acheson, Speech at West Point (5 December 1962), in *Vital Speeches*, January 1, 1963, page 163.

<sup>4</sup> The Commission description of the euro can be seen it its own website:

[http://ec.europa.eu/economy\\_finance/euro/index\\_en.htm](http://ec.europa.eu/economy_finance/euro/index_en.htm)

<sup>5</sup> [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov\\_10a\\_main&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_main&lang=en), chart 5.

<sup>6</sup> [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa\\_ergan&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_ergan&lang=en)

<sup>7</sup> *Financial Times*, 16 December 2012, "Merkel warns on cost of welfare",

<http://www.ft.com/cms/s/0/8cc0f584-45fa-11e2-b7ba-00144feabdc0.html#axzz3I26PU1Cr>

<sup>8</sup> <http://uk.reuters.com/article/2010/12/18/us-france-lagarde-idUSTRE6BH0V020101218>

<sup>9</sup> Details of UK and other payments can be found here:

<http://www.niassembly.gov.uk/Documents/RaISe/Publications/2011/Agriculture-and-Rural-Development/16611.pdf>

<sup>10</sup> Wales Online, 11 June 2014, Could major Welsh employer be forced to close by new European Union rules? <http://www.walesonline.co.uk/business/business-news/aberthaw-power-station-closure-union-7254315>

<sup>11</sup> [http://www.wto.org/english/docs\\_e/legal\\_e/17-tbt\\_e.htm](http://www.wto.org/english/docs_e/legal_e/17-tbt_e.htm)

<sup>12</sup> [http://www.wto.org/english/tratop\\_e/sps\\_e/sps\\_external\\_links\\_e.htm](http://www.wto.org/english/tratop_e/sps_e/sps_external_links_e.htm)

<sup>13</sup> For instance, Norway hosts the Fish & Fisheries Products Technical committee:

<http://www.codexalimentarius.org/committees-and-task-forces/en/?provide=committeeDetail&idList=17>

<sup>14</sup> <http://www.unece.org/trans/main/wp29/introduction.html>

<sup>15</sup> Statistics collated by SMMT: [http://www.smmt.co.uk/wp-content/uploads/sites/2/SMMT\\_Facts-Guide\\_May.pdf](http://www.smmt.co.uk/wp-content/uploads/sites/2/SMMT_Facts-Guide_May.pdf)

<sup>16</sup> <http://www.bis.org/bcbcs/>

<sup>17</sup> <http://www.financialstabilityboard.org/about/>

<sup>18</sup> ONS figures throughout.

<sup>19</sup> <http://online.wsj.com/articles/SB10001424052702304757004579331422321628250>

<sup>20</sup> [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/2-15052014-AP/EN/2-15052014-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-15052014-AP/EN/2-15052014-AP-EN.PDF)

<sup>21</sup> <http://www.channelnewsasia.com/news/business/international/customs-impasse-is-wto-s/1461612.html>

<sup>22</sup> See: <http://ec.europa.eu/trade/policy/in-focus/ttip/>

<sup>23</sup> <http://www.abpi.org.uk/industry-info/knowledge-hub/global-industry/Pages/industry-market.aspx>

<sup>24</sup>

[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Migration\\_and\\_migrant\\_population\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Migration_and_migrant_population_statistics)

<sup>25</sup> <http://www.immi.gov.au/media/publications/statistics/immigration-update/migration-australia-state-territories-2012-13.pdf>

<sup>26</sup> <http://www.publications.parliament.uk/pa/ld200001/ldjudgmt/jd001219/adan-1.htm>

<sup>27</sup> Transcript: BBC Andrew Marr Show, 11 May 2014,

<http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/201411051.pdf>.

<sup>28</sup> <http://www.globalization101.org/economic-effects-of-migration/>

<sup>29</sup> [http://www.commonwealthofnations.org/sectors/business/import\\_and\\_export/](http://www.commonwealthofnations.org/sectors/business/import_and_export/)

<sup>30</sup> [http://eeas.europa.eu/switzerland/index\\_en.htm](http://eeas.europa.eu/switzerland/index_en.htm)

<sup>31</sup> See [http://eeas.europa.eu/korea\\_south/docs/framework\\_agreement\\_final\\_en.pdf](http://eeas.europa.eu/korea_south/docs/framework_agreement_final_en.pdf), and <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:127:0006:1343:en:PDF>, Ministry of Foreign Affairs, Republic of Korea: FTA status of ROK:

[http://www.mofa.go.kr/ENG/policy/fta/status/effect/eu/index.jsp?menu=m\\_20\\_80\\_10&tabmenu=t\\_2&submenu=s\\_6](http://www.mofa.go.kr/ENG/policy/fta/status/effect/eu/index.jsp?menu=m_20_80_10&tabmenu=t_2&submenu=s_6), European Commission website: Taxation and Customs Union – Korea:

[http://ec.europa.eu/taxation\\_customs/customs/policy\\_issues/international\\_customs\\_agreements/korea/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/korea/index_en.htm), and [http://en.wikipedia.org/wiki/South\\_Korea%E2%80%93European\\_Union\\_relations](http://en.wikipedia.org/wiki/South_Korea%E2%80%93European_Union_relations)

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<sup>32</sup> *New York Saturday Evening Post*, 13 February 1930. In: Churchill, W. S. (1976), *Collected Essays of Winston Churchill, Volume II, Churchill And Politics*. London Library of Imperial History, pp. 176-186.