

The Brexit prize

A chance for all those involved with the what if the UK said "Out" in a national referendum?

The Institute of Economic Affairs (IEA) has launched a competition with a top prize of €100,000, yes euros. To win all you have to do is submit in the first instance a 2,000 word entry on a blueprint for the UK outside the EU.

Instead of arguments about having a referendum on "In" or "Out" of the EU, this competition is based on the assumption that we have had a referendum and voted "Out". It also assumes that Her Majesty's Government has triggered Article 50 of the Lisbon Treaty.

What measures does the UK need to take in the following two years, domestically (within the UK), vis-a-vis the remaining EU and internationally, in order to promote a free and prosperous economy?

Background according to the organisers.

An "Out" vote in a British referendum would be a major historic geo-political and economic event, perhaps even comparable with the fall of the Berlin Wall and the subsequent collapse of the Soviet Union and re-unification of Germany. It is time, therefore, that the UK explores the process of withdrawal and its economic and political consequences. This competition is designed to examine the process of withdrawal and, more importantly, how the UK might fit into the fresh geo-political

and economic landscape that would follow.

Entry requirements

Against this background, competitors are invited to compose a Blueprint for Britain outside the EU, covering the process of withdrawal from the EU and the post-exit repositioning of the UK in the global trading and governance systems, covering, inter alia:

- The legal and constitutional process necessary for the UK to leave the EU and set up, if desired, alternative international relationships. This would include not just the process within the EU itself but the changes to UK law and regulation that would be desirable or necessary.

- Negotiation of the UK's post-EU-exit position to settle the UK's relationships with the remaining EU and other interested parties and, crucially, with the rest of the world, in respect of trade, supranational governance, immigration, the environment, financial regulation, defence etc.

Submissions are invited from individuals, groups of individuals, academia and corporate bodies such as consultancy firms, law firms, accounting firms, think-tanks and investment banks. Initial submissions will be around 2,000 words. The competition judging panel will then invite the authors of around twenty of

these entries to make full submissions of between 10,000 and 20,000 words within a further four months.

Prizes

Cash prizes will be awarded to the first, second and third best entries, as judged by the competition's judging panel. First prize is €1000,000, second prize is €10,000 and third prize is €5,000. There will be a special prize of €5,000 for the best entry from an individual aged 30 or under. The winning entries will be published by the IEA.

Judging panel

Prof. Philip Booth, Roger Bootle, Dr Stephen Davies, Tim Frost, Ruth Lea, Prof. Martin Ricketts, David Starkey, Gisela Stuart MP and with The Lord Lawson of Blaby as its Chairman.

Detailed terms and conditions for entry and further details of the prizes are available on the competition website www.iea.org.uk/brexit.

Deadline for initial submissions is Monday 16th September 2013.

The IEA has taken no position on an "In" or "Out" referendum.

So for those of you who wish to engage in the debate, now is the time! We wish you all good luck and look forward to seeing the results.

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28th EU member state

On the 1st July, Croatia became the 28th member of the European Union. This country has not yet adopted the euro, this is probably due to the fact that the enthusiasm for EU membership has been dampened by the eurozone crisis and the country's present economic situation.

Coming almost two decades after Croatia's brutal war of independence, it is surprising that they have given up this independence so quickly. Let us hope they don't live to regret this loss of independence to the EU.

The president Ivo Josipovic has described the event as historic.

Considering the economic problems in Croatia it will become another country whose main reasons for being in the EU will be to receive structural grants and funding from the EU. In other words from the UK taxpayer. Plus, the possibility of free movement to the UK for jobs and welfare.

Repatriation of powers

According to the Common Foreign Affairs Committee, it is "sceptical" on whether the UK would get special treatment or be able to take back powers unilaterally.

However it thinks a collective negotiated approach could bring positive results.

Prime minister David Cameron, has said he wants to refashion the UK's

relationship with the EU and put it to the people in a referendum in 2017.

MPs have warned that the UK will not be able to demand "any price" in negotiations over its future in the EU.

Eurozone's rescue scheme challenge

The promise by the European Central Bank (ECB) that to do "whatever it takes" to save the euro is being challenged in Germany's constitutional court.

This has been caused by the ECB's vow to buy up the bonds of eurozone countries if they come under severe pressure, this decision has been credited with arresting the eurozone

crisis.

The head of Germany's own central bank is expected to tell the court that the policy breaches Germany's constitution.

UK influence drops

The question of UK influence within the EU rises again. Falling numbers of British diplomats working in the upper echelons of EU institutions risk limiting the country's influence, MPs are warning.

The Common Foreign Affairs Committee said there was a "generation gap" with senior UK officials retiring and not being replaced in the same numbers.

UK nationals make up fewer than

5% of the European Commission's staff, compared with nearly 10% from France.

The UK has been encouraging graduates to pursue a career within the EU.

Is the euro crisis over?

French president Francois Hollande has declared an end to the eurozone debt crisis, which has gripped the region for the past four years.

Speaking on a trip to the Far East in

June he told Japanese business leaders; "What you need to understand here in Japan is that the crisis in Europe is over".

Unfortunately for Hollande and

other euro supporters, as recently as April there were fears about the future of the euro due to confusion over bailing out Cyprus. Now we have further problems in Portugal and Spain, let alone the Greek tragedy.

UK visitor bond

Plans to make visitors pay a £3,000 "security bond" to enter the UK have been criticised by Indian business leaders.

The idea, to be piloted from November 2013, is aimed at deterring

people from "high risk" countries staying in the UK once their short-term visas expire.

Under the plan, they would forfeit the money unless they left when required.

The Confederation of Indian Industry said it was "highly discriminating".

However, Home Secretary Theresa May has defended this "selective" approach to migration.

Time for change

Derek Sterling

This book has come at a very opportune moment as the fate of the UK economy and reasons for its decline have been the subject of numerous discussions, political comments and media analysis.

Although this book is not based in economic terms it expresses a number of interesting points into the misguided directions of the political elites in the UK. It discusses the fate of British Industry, Immigration, Green issues, Britain's involvement in the EU and the state of politics today.

The sub-heading "What the politicians do not want to admit and why they do not tell" gives a further insight into the mind of the author.

Drawing on a number of related issues it explains why in the author's

Time for the UK to Face the Facts

by *Christopher Hoskin*

June Press Pbk 109pp 2013

Available from
The June Press
Price £7.99 + p&p
(see back cover)

ISBN 978-0-9534697-9-6.

opinion, the leadership of the country has moved in a direction that is no longer concerned as to the wants and needs of the electorate, but more concerned with image. It goes further

by questioning the kind of politicians that are now ruling the country and the motivations that drive them. Throughout this book one theme that stands out is the demise of the understanding of the cultural inheritance of the UK and its affect on the future for its people.

The conclusions drawn are that the bulk of politicians should be drawn from the people at large who have had jobs and experienced the world as it is, and not from so-called career politicians who have not experienced life outside politics. The author also believes that the UK should withdraw from the EU in order to be able to create a better environment for its people and give them a greater feeling of control over their futures.

Why national identities matter

A well put together collection of views on the nation state and the affect that it has on citizens. With individual chapters by a number of prominent people including: Roger Scruton, Daniel Hannan, Frank Field and Tom Kremer.

The aim of this book is put succinctly by the sub-heading; 'Against the predictions (and hopes) of many, the affection that citizens feel for their national identities, and loyalty to forms of state which they believe represent them, has not waned. The nation state has refused to shuffle off the stage of history.

As various contributors put it the nation state is held with greater affection than any other enforced loyalty can hope to achieve. This is because people feel a natural affinity to those who speak the same language and have a shared cultural history with common values. The term sovereignty is understood by people to belong to their nation and a loyalty to defend their nation against all kinds of outside

Sail On O Ship of State

Edited by *Johanna Möhring & Gwythian Prins*

Notting Hill Editions
Hdbk 264pp 2013

Available from
The June Press
Price £12.00 + p&p
(see back cover)

ISBN 978-1-907903-59-5

influences or pressures are shared values. Hence citizens are prepared to go to war to defend their country but are not prepared to do so for other organisation or institutions like the EU for which they have no such feelings.

This book explores the various ways that nations have come into existence and the reasons why those who think the nation state has had its day are clearly wrong. Furthermore, it explains why those who consider the nation

state to be a dangerous entity are misguided and out of touch with the citizens of these nations.

A further point covered is the fact that if the people do not like the direction their politicians are going, the ability to replace them with another set of politicians who better reflect their views at the next general election is a must for any loyal democratic society.

After reading this book one can only come to the conclusion that the nation state is a force for good in the world, and that it is a natural thing for people to feel a close bond with their nation state. Should political leaders underestimate the power of a nation state, then they risk becoming marginalised with the people they wish to represent. This will result in the rise of nationalistic parties. The need to retain sovereignty by nation states is probably more important now than at any time in history.

As Michael Gove MP has put it: 'We need to reclaim the nation state as a public good'.

Iceland/China Free Trade Agreement

Now Iceland has its own Free Trade Agreement (FTA) with China, why can't the UK? Well the answer is we have to be outside the EU.

On the 15th April, the Minister for Foreign Affairs and External Trade of Iceland, Mr. Össur Skarphéðinsson, and Mr. Gao Hucheng, Minister of Commerce of the People's Republic of China, signed a Free Trade Agreement (FTA) between the two countries. The negotiations were launched in 2007. Four rounds of negotiations took place during 2007-2008 and two rounds in December of 2012 and January 2013. The Iceland-China Free Trade Agreement will enter into force when legal procedures of acceptance in both countries have been concluded.

Since the beginning of the 1990s, Iceland has, as a member of the European Free Trade Association (EFTA), gradually been expanding its network of FTAs around the world, including in the emerging markets in Asia. To date, 26 FTAs have been concluded with 35 countries. The Iceland-China Free Trade Agreement is in essence similar to other FTAs that Iceland has already concluded. It covers trade in goods and services, rules of origin, trade facilitation, intellectual property rights, competition and investment.

The FTA with China will further extend Iceland's network of preferential trade agreements. The constant improvement of access to foreign markets represents a core objective of Iceland's foreign economic policy. By entering into FTAs, Iceland aims to strengthen the competitiveness of Icelandic companies and secure their access to international markets.

The Free Trade Agreement covers the following issues:-

Trade in goods - With the entry into force of the FTA, tariffs on most goods will be removed. For a small number of products the Chinese tariff will be dismantled during a transition period of 5 or 10 years. Chinese exports into

Iceland are duty-free as from the entry into force of the FTA. Both China and Iceland exclude a limited number of products from tariff preferences. Iceland excludes, for example, dairy and meat products while China exclude certain products made of paper.

Rules of origin and trade facilitation

- In order to qualify for preferential treatment under the FTA, a product must be considered to be originating in Iceland or in China. For industrial products, the rules of origin are liberal, providing for wide-ranging possibilities of producing originating products from non-originating materials. The origin criteria for agricultural and fisheries products are more restrictive as they in most cases require the products to be wholly obtained in the other country in order to benefit from tariff preferences.

The provisions of the FTA on customs procedures have as their objective to facilitate trade between the two countries. Such provisions stipulate for example simplified procedures for the customs clearance of products, transparency of information, the possibility to get a binding opinion on tariff classification prior to importation, simplified administration and the cooperation between the customs authorities of the two countries.

Intellectual property rights - The Parties acknowledge the protection of intellectual property rights as one of the objectives of the FTA. In addition to reaffirming their obligations under international Agreements on intellectual property rights, they undertake to cooperate and exchange information pertaining to the protection of intellectual property rights.

Trade in services - This is covered in a general chapter on services and in Annexes containing the countries' schedules of specific commitments. In addition there is an Annex on the movement of natural persons providing services. Iceland

commitments are based on its revised offer under the WTO General Agreement on Trade in Services (GATS) and in recent EFTA FTAs. Commitments are not made in the area of healthcare and education. China's undertaking is in line with their revised offer in the WTO. Certain areas of services will be fully exempted from liberalisation, including public services.

Investment - The provisions on investment do not go beyond and simply refer to an already existing bilateral agreement between Iceland and China on the promotion and reciprocal protection of investments from 1994.

Competition - The Parties agree that anti-competitive business conduct can frustrate the benefits arising from the FTA. Accordingly, they undertake to apply their respective competition laws with a view to removing anti-competitive business conduct. They also agree to cooperate on competition matters.

Cooperation - A chapter on cooperation in various fields is included, in which reference is made to already existing cooperation or mention is made of cooperation foreseen in the future. Areas of cooperation include research, science and technology, labour and environmental cooperation, development cooperation and education.

Institutional Provisions - The FTA establishes a Joint China-Iceland Free Trade Commission, which supervises and administers the FTA and oversees its further development. The Free Trade Commission may negotiate modifications to the FTA.

Dispute Settlement - The FTA contains rules and procedures for the settlement of disputes arising from the FTA between Iceland and China. The Parties shall make every attempt through cooperation and consultation to arrive at a mutually satisfactory resolution of any matter that might

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Iceland/China Free Trade Agreement

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affect its operation when dispute occurs.

In the preamble of the FTA the main objectives of the agreement are listed and reference is made to the WTO. The Parties acknowledge that economic development and environmental protection are inter-dependent and mutually reinforcing components of sustainable development. Regarding human rights, both Parties reaffirm their commitment to human rights and the promoting of human rights in a declaration on regular political consultations issued by the Prime Minister of Iceland and Premier of China in the official visit of the former to China, during which the FTA was signed.

Trade between Iceland and China

China is the second biggest economy in the world with average growth rate of 8% in the past 3 decades. The

growth rate was 7.8% in 2012 and the projected growth rate for 2013 is 7.5%.

China is the world's biggest exporting country and the second biggest importing country. In 2012, China's exports grew to about USD 2,050 billion and its imports USD 1,818 billion, with a trade surplus of USD 231 billion. In view of the 20.2% average growth of China's international trade volume during 2001-2012, it is expected that China will have the world's biggest international trade volume in the near future.

Iceland-China Trade has been growing constantly over the years in spite of its small scale. Icelandic exports reached ISK 7.65 billion (USD 61.2 million – EUR 47.6 million) in 2012, up by 40.81% from 2011, and Icelandic imports from China reached ISK 42.6 billion (USD 340.8 million – EUR 265 million) up from ISK 35.1 billion in 2011 (USD 287.7 million – EUR 216.9 million).

China is now Iceland's 4th biggest importing country and the biggest trading partner in Asia. Even though Icelandic exports to China have been growing fast, China still only ranks as Iceland's No. 19 export market in 2012. It is expected that the Iceland-China Free Trade Agreement will give a great push to Icelandic exports to China in the near future.

Seafood has been the biggest growth factor of Icelandic exports to China, while the export variety and export value of other products such as electrical scales and ferrosilicon are also increasing. On the other hand, ever-improving quality and competitive prices of Chinese products are the major reasons for increased Icelandic imports from China.

There is a world outside the EU so-called Common Market.

If this is good enough for Iceland why should it not be good enough for the UK if it leaves the EU?

Is the EU batty?

Here we go again, this time it really is bats.

EU rules to protect bat populations are putting hundreds of bat-infested churches in England at risk, according to an MP.

Tony Baldry - who speaks officially on Church of England issues in the

Commons - warned that church artefacts were being destroyed by bat droppings, with some buildings on the verge of becoming "unsustainable" as a place of worship.

He said that bats were threatening medieval wall paintings, which had survived "Thomas Cromwell's men

and the ravages of the Reformation".

Another issue exercising the EU is the power of vacuum cleaners.

From next year the EU is going to ban powerful vacuum cleaners, reducing their maximum output from 2,000 watts to 1,600 watts.

Will France leave the euro?

Following a stunning success by obtaining 46% of the vote in a French by-election in Villeneuve-sur-Lot, Marine Le Pen, leader of France's Front National has threatened to bring back the Franc.

Her idea should she win the next election is to offer an immediate referendum on EU membership. If she fails to get the EU to accept her position on certain areas then she will campaign for a withdrawal.

Marine Le Pen who is in favour of retaining the French welfare model has made her views about leaving the euro and bringing back the French Franc very clear. She also believes that leaving the euro would benefit other member states of the EU.

This will certainly bring her in conflict with the EU aim of ever closer union.

She is reported as saying that the EMU crisis is structural, North and

South need different exchange rates. Furthermore, that the D-Mark would be rising if it were not for the euro, and that means Germany has a chronically undervalued currency and that the euro is far too strong for France, and it is eating away their competitiveness.

A recent Pew Foundation survey said French support for the EU Project has collapsed from 60% to 40% over the last year, and 77% think economic integration has been damaging.

Will the UK opt-out?

Extract from an article by Anne Palmer in the Eurorealist newsletter (June 2013).

If the Conservatives get back into 'Office' they will allow us a referendum on the EU in 2017 - they have promised! If they do not opt-out of what the EU now wants - what will be the point of a referendum? What will be left? And if they get back in what if they change their mind and "opt in" to all those they have just opted out of?

Before 31st May 2014 our Government must inform the Council of Europe whether the UK accepts European Court of Justice jurisdiction over all former 'Third Pillar' Justice and Home Affairs measures adopted prior to 1st December 2009, or, alternatively, whether the UK Government decides to opt out of these measures (the 2014 decision). A decision that is pursuant to Article 10 (4) of Protocol 36 to the Treaties. Baring in mind that the people have had no say in any of those, yet it is without doubt that many want out of the EU and are getting some-what angry of contributing to British Governments that have to obey the same EU' orders like the rest of us are supposed to do. Just how much longer will the people do that though? Many of them or their family fought in wars to be free from foreign rule. Yet they all know and I know they know after reading all the many pages in so many recorded in print debates, what is in store for us if we remain in the European Union, the one we were told was a Common Market and there would be no loss of essential Sovereignty.

EU police and criminal justice measures subject to the opt-out

decision. Just a little here;

Under Protocol 36 to the EU Treaties, the Government must decide whether or not the UK should continue to be bound by around 130 EU police and criminal justice (PCJ) measures which were adopted before the Treaty of Lisbon entered into force in 2009, or whether it should exercise its right to opt out of them all.

If the Government does not opt out, on 1st December 2014 these measures will become subject to the jurisdiction of the Court of Justice of the European Union (CJEU) and the enforcement powers of the European Commission. If the Government does exercise the opt-out, the PCJ measures will cease to apply to the UK on 1st December 2014.

The CJEU's jurisdiction and the Commission's enforcement powers will then apply in relation to the measures for all the Member States except the UK.

The UK may later rejoin any of the measures subject to conditions set out in the Protocol. etc

There is a lot more besides, but I place the last sentence here: "In light of the evidence we have received, including a preponderant view among our witnesses from the legal, law enforcement and prosecutorial professions, we conclude that the Government have not made a convincing case for exercising the opt-out and that opting out would have significant adverse negative repercussions for the internal security of the UK and the administration of criminal justice in the UK, as well as

reducing its influence over this area of EU policy". Is that what you all want? Please be aware that even if they opt out now - they can always opt in.- Remember, it is your future and your children's future, not mine.

Area of freedom, security and justice:

The Treaty of Lisbon intends to reinforce the establishment of a European common area within which persons move freely and benefit from effective legal protection. The creation of such an area has implications for areas in which European citizens have high expectations, such as immigration and the fight against organised crime and terrorism. These issues have a significant cross-border dimension and therefore require effective cooperation at European level.

The Treaty of Lisbon divides the themes related to the area of freedom, security and justice into four fields: policies related to border control, asylum and immigration; judicial cooperation in civil matters; judicial cooperation in criminal matters; police cooperation. And a lot more besides. If they 'opt out' now-they can always 'opt in' at a later date-perhaps after you have elected them for another five years.

Now tell me, if this is all happening in 2014 what is the point or perhaps more to the point, what will be left for us to vote for and on in a 2017?

The Home Secretary Theresa May is expected to say the UK will set aside the bulk of them but wants to remain part of the European Arrest Warrant and the Europol crime agency.

More time given

Selected member states of the EU are to be allowed by the European Commission to slow their pace of austerity cuts, amid concerns over growth.

Commission president Jose Manuel Barroso said the extra time must be "used wisely" to lift competitiveness.

The French have been given two more years to bring their budget deficit

below 3% of GDP.

Portugal, Spain, Poland, Slovenia and the Netherlands are also being given more time to complete their austerity plans

UK exports to eurozone

Would Berlin allow any discrimination against UK exports to the eurozone if Britain left the EU?

- 1) The eurozone's biggest trading partner worldwide is the UK¹
- 2) The eurozone's biggest export market worldwide is the UK¹
- 3) The eurozone's biggest supplier worldwide is the UK¹
- 4) The eurozone's biggest trade surplus worldwide¹ is with the UK

Germany and its fellow Eurozone members are explicitly creating the top tier of a "two-tier" Europe. The inner core will consist of countries using the euro, with a single currency, a single budget and a single central bank. Germany, politically, economically and demographically, will dominate the statelike Eurozone, and, *de facto*, Berlin will be its capital.

Countries in the outer tier will keep their own currencies, budgets and central banks. British withdrawal from the European Union (colloquially known as "Brexit") is moving ineluctably from the realms of the possible to the probable. If "Brexit" were to happen, would the Eurozone, led by Germany, discriminate against British exports?

Any such discrimination would be illegal under the provisions of the World Trade Organisation (WTO), of whose predecessor the UK was a founder member in 1948. It would also be a case of the eurozone economically shooting itself in the foot.

German prosperity depends crucially on a healthy eurozone. Over half² of German exports go to "EU-25" (EU-27 less Germany less the UK). A decision by a German government to discriminate illegally against UK exports to Germany post-Brexit would first have to get the consent of corporate Germany; the trade unions; the Chancellery; the Bundestag; the Bundesrat; the regional Länder and, most probably, the powerful *Bundesverfassungsgericht* (German Constitutional Court) in Karlsruhe. The probability of that

consent materialising is infinitesimally small.

Already, 69% of Eurozone imports come from countries outside the EU¹. For 40 years the EU has traded happily *without* bilateral free trade agreements (FTAs) with the USA, China, Japan and other countries. If "Brexit" happens, why would the eurozone³ (and the rest of the EU) *not* trade happily, with an FTA or without, with the eurozone's single biggest trading partner worldwide – the UK?

Eurozone exports (goods, services, income, transfers) in 2012.

Table 1
Eurozone Exports in 2012: € bn¹

Destination	Value	%
UK	486	15
USA	418	13
Switzerland	251	8
China	154	5
Russia	122	4
Japan	72	2
Others	1639	52
World	3142	100

Eurozone imports (goods, services, income, transfers) in 2012.

Table 2
Eurozone Imports in 2012: € bn¹

Origin	Value	%
UK	423	14
USA	407	13
China	224	7
Switzerland	213	7
Russia	154	5
Japan	98	3
Others	1507	50
World	3026	100

Table 3, shows that the eurozone, on its trade (comprising trade in goods, services, income & transfers) with non-eurozone countries in the year 2012, had a **balance of payments surplus worldwide** of €116 bn. The

Eurozone balance of payments surplus **with the UK alone** was €63 bn.

Eurozone Trade Balances (goods, services, income, transfers) in 2012.

Table 3
Eurozone Surpluses/(Deficits) in 2012: € bn¹

Eurozone trading partner	Value
UK	+63
USA	+11
Switzerland	+38
China	(70)
Russia	(32)
Japan	(26)
Others	+132
World	+116

Source:
Global Britain Briefing Note No 86, 31st May 2013.

References:

1) Data from the May 2013 edition of the Monthly Bulletin of the European Central Bank, see web site (www.ecb.int>MonthlyBulletin>Table 7.2, Current & Capital Accounts, page S 63).

2) Global Britain Briefing Note No 78, *German Trade in 2011*, 20th July 2012 (www.globalbritain.org>Briefing Notes).

3) Tradewise, the seventeen-member eurozone is a useful proxy for "EU-26" (the EU less the UK): In 2011, the GDP (at current prices and exchange rates) of the eurozone was 85% of the GDP of EU-26. In 2011, EU-27 GDP was US \$17,576 bn. UK GDP was US \$2,246 bn. So EU-26 GDP was US \$15,330 bn. Eurozone GDP was US \$13,081 bn, eurozone GDP as a proportion of EU-26 GDP was 13,081/15,330 = 85%. GDP data for calendar year 2011 from the World Bank World Development Indicators Database. (www.worldbank.org/data)

EFTA or EU?

A majority of voters would prefer the UK to be a member of the European Free Trade Association (EFTA) as opposed to the EU, according to a new survey published by the Bruges Group. Of those expressing a preference in the survey, a clear 71% said that Britain would be better off as a member of the trade group EFTA, as opposed to 29% who thought that Britain should remain a member of the EU.

The 71% in favour comprised support across voters intending to vote for all of the major political parties. (Conservative 81%; Labour 54%; Lib Dem 50%, UKIP 95% and others 62%).

Robert Oulds, Director of the Bruges Group, said: *"This poll not only adds to the growing body of evidence that a majority of the British people are realising that Britain would be better off out of the European Union but it also shows that there is a viable alternative to EU membership"*.

David Nuttall MP, Chair of the Better Off Out All-Party Parliamentary Group, said: *"I think this poll just adds to the growing body of evidence that a majority of the British people are realising that Britain would be better*

off out of the European Union and instead simply having a free trade relationship with our European neighbours."

The opinion poll was carried out by Survation on 3rd July 2013, with 1,085 respondents, with a 3% margin of error. The question asked was: *"The European Economic Area (EEA) is the single market that allows for free movement of goods, services, people and capital between all participating European countries. There are two organisations which allow countries to access this EEA single market - the European Union (EU) and the European Free Trade Association (EFTA). The UK could remain a member of the single market if it left the EU and joined the EFTA. Unlike the EU, the EFTA does not involve itself in countries' agriculture, fisheries, home affairs or justice policies, and allows countries to negotiate free trade agreements with any outside countries. The UK would have to adopt 60% fewer regulations and pay around £3bn less in budget contributions if it was in the EFTA instead of the EU, but would have less power to influence the rules of the single market."*

"With this in mind, which would you prefer the UK to be a member of?"

Of those surveyed, a clear 54.3% said that Britain would be better off as a member of the trade group EFTA, as opposed to 22.2% who thought Britain should remain a member of the EU. 23.5% said they were 'Don't Knows'. When the don't knows are excluded this leaves the figures of 71% and 29%.

EFTA/EEA countries have their own seats on the international organisations that increasingly set regulations so often have more international influence than EU member states who give up their positions to representatives from the European Commission. They are also consulted on EU law and have a right to veto rules which damage their interests.

EFTA/EEA countries include: Norway, Iceland and Liechtenstein. EFTA member Norway has just 3.5% unemployment, average EFTA unemployment is 4%. The UK has 7.5% without a job and in the EU unemployment is approaching 13%. Switzerland is also member of EFTA and has just 2.9% unemployment.

More prisoners rights!

The European Court of Human Rights has ruled that the whole life tariff given to convicted murders Jeremy Bamber and two other killers, breached their human rights.

The judges ruled by 16 to 1 that there had to be a possibility of release

and review of the sentence.

However, they said this did not mean there was "any prospect of imminent release".

On a website, Bamber said the verdict was "hollow" as he was still serving a sentence for a crime he did

not commit.

The loss of the Human Rights of those who were murdered is of no interest to the European Court. As usual UK law will now have to be amended to obey the ruling of the EU, no matter what the UK thinks.

Manufacturing driven outside EU

The price to pollute is to be increased in the EU. This will be done by reducing the amount of Carbon Emission Trading quotas on offer.

MEPs backed the European Commission plan to freeze the auctioning of some carbon dioxide (CO2) Emission allowances. The UK government and green groups have

welcomed the plan, adding that they think deeper reforms are necessary.

Recently, mainly as a result of the downturn these rights to pollute have dropped in price.

The idea of reducing the numbers available will due to supply and demand, push up prices for industry, making their goods more expensive and less competitive with those outside

the EU.

More likely however, will be the unintended consequences that companies will just move more of their production outside the EU. This will result in further damage to the manufacturing base inside the EU with the inevitable loss of jobs.

European energy costs are already the highest in the world.

Article 218 TFEU

We have included the full text of Article 218 TFEU, due to a number of enquiries following last month's eurofacts article on 'Britain and the EU if "out", how?'

'Title V, International Agreements' of the Treaty on The Functioning of the European Union ("TFEU")

Article 218 contains eleven sections, as follows. As well as Article 218(3), other sections may be invoked during the process of withdrawal – for example, Article 218(11).

Article 218(1): Without prejudice to the specific provisions laid down in Article 207 (see below) agreements between the Union and third countries or international organisations shall be negotiated and concluded in accordance with the following procedure.

Article 218(2): The Council shall authorise the opening of negotiations, adopt negotiating directives, authorise the signing of agreements and conclude them.

Article 218(3): "The Commission, or the High Representative of the Union for Foreign Affairs and Security Policy where the agreement envisaged relates exclusively or principally to the common foreign and security policy, shall submit recommendations to the Council, which shall adopt a decision authorising the opening of negotiations and, depending on the subject of the agreement envisaged, nominating the Union negotiator or head of the Union's negotiating team."

Article 218(4): The Council may address directives to the negotiator and designate a special committee in consultation with which the negotiations must be conducted.

Article 218(5): The Council, on a proposal by the negotiator, shall adopt a decision authorising the signing of the agreement, and, if necessary, its provisional application before entry into force.

Article 218(6): The Council, on a proposal by the negotiator, shall adopt a decision concluding the agreement. Except where agreements relate

exclusively to the common foreign & security policy, the Council shall adopt the decision concluding the agreement:

a) after obtaining the consent of the European Parliament in the following cases:

- i) association agreements;
- ii) Union accession to the European Convention for the Protection of Human Rights and Fundamental Freedoms;
- iii) agreements establishing a specific institutional framework by organising co-operation procedures;
- iv) agreements with important budgetary implications for the Union;
- v) agreements covering other fields in which either the ordinary legislative procedure applies, or the special legislative procedure where consent by the European Parliament is required.

The European Parliament and the Council may, in an urgent situation, agree on a time limit for consent.

b) after consulting the European Parliament in other cases. The European Parliament shall deliver its opinion within a time-limit which the Council may set depending on the urgency of the matter. In the absence of an opinion within that time-limit, the Council may act.

Article 218(7): When concluding an agreement, the Council may, by way of derogation from paragraphs 5, 6 and 9, authorise the negotiator to approve on the Union's behalf modifications to the agreement where it provided for them to be adopted by a simplified procedure or by a body set up by the agreement. The Council may attach specific conditions to such authorisation.

Article 218(8): The Council shall act by a qualified majority throughout the procedure.

However, it shall act unanimously when the agreement covers a field for which unanimity is required for the adoption of a Union act as well as for association agreements and the agreements referred to in Article 212 with the States which are candidates for accession. The Council shall also act unanimously for the agreement on accession of the Union to the European Convention for the Protection of Human Rights and Fundamental Freedoms; the decision concluding this agreement shall enter into force after it has been approved by the Member States in accordance with their respective constitutional requirements.

Article 218(9): The Council, on a proposal from the Commission or the High Representative of the Union for Foreign Affairs and Security Policy, shall adopt a decision suspending application of an agreement and establishing the positions to be adopted on the Union's behalf in a body set up by an agreement, when that body is called upon to adopt acts having legal effects, with the exception of acts supplementing or amending the institutional framework of the agreement.

Article 218(10): The European Parliament shall be immediately and fully informed at all stages of the procedure.

Article 218(11): A Member State, the European Parliament, the Council or the Commission may obtain the opinion of the Court of Justice as to whether an agreement envisaged is compatible with the Treaties. Where the opinion of the Court of Justice is adverse, the agreement envisaged may not enter into force unless it is amended or the Treaties are revised.

Source

Global Britain Briefing Note No 85, 3rd May 2013.

www.globalbritain.org

LETTERS

Tel: 08456 120 175 email: eurofacts@junepress.com

Article 50

Dear Sir,

I was delighted to see your endorsement of Article 50, in the June edition, as the only sane way out of the EU.

The likes of Rodney Atkinson (letter in the same edition) and others who think like him and believe all we need do is repeal the ECA 1972 fail to take account of the majority of the voting public who will be bombarded by the 'Establishments' use of Fear, Uncertainty and Doubt (FUD). So what they need is to be reassured that our government can safely navigate our way out of the EU and to have explained why we would be 'Better Off Out.' Also, the facts are that by invoking Article 50 we are stating quite clearly that we are leaving the EU and allows a two year time scale to complete the essential negotiations to our new relationship. The EU will not be browbeating the British electorate, as Rodney states, at this stage but negotiating with the government who will be holding most of the best cards.

Rodney's 'nuclear option' will bring with it more FUD and if implemented would lead to chaos and so would NOT sell well on the doorsteps.

Article 50 it has to be unless you want to lose the referendum as and when it is called.

NIALL WARRY

Somerset

Cameron and the EU

Dear Sir,

Last month the Irish Government sent a message to the British government concerned about its proposed referendum on membership of the European Union. In reply the British government stated that it had no intention of leaving the EU. Since then in an interview with the Spanish El Pais Cameron was asked: 'In case of a Yes victory in the referendum...would

you be willing to withdraw from the Union?'

Cameron's response was: 'I would not.'

If you are against the EU why waste your vote on a mythical promise of a referendum and if in the unlikely event that one did take place and it was a vote to leave, Cameron would not honour an 'OUT' vote in any case.

DAVID NIXON

Staffordshire

Britain's withdrawal from the EU

Dear Sir,

I fear that Global Britain's *Briefing Note 85*, which you quote extensively from in your leading article of 21st June, would, by assuming that article 50 of the Lisbon Treaty has necessarily to govern our departure from the EU, bog Britain down in a huge complex multilateral set of negotiations with the EU Commission and even the EU Parliament. All 27 remaining EU members would also need to agree and sign the withdrawal document. This process could drag on for years, possibly across two parliaments during which time, under article 50, the United Kingdom would still be paying for EU membership and be bound by its directives and regulations.

I don't think the British people would feel that that is what they meant when they voted "No" to remaining in the EU.

Far better, in my view, would be for Britain internally to repeal the European Communities Act 1972 and externally to proceed according to the Vienna Convention on the Law of Treaties (VCLT) adopted by the United Nations on May 22nd 1969, and which came into force on 27th January 1980. The Convention applies to treaties between states that are members of the United Nations and have signed and ratified the Convention. All EU states except France and Romania have

signed and ratified it. Britain signed on the 20th April 1970 and the Heath government ratified it on 25th June 1971.

Article 62 of the VCLT provides for withdrawal from a treaty if there has been a "fundamental change of the circumstances which constitute an essential basis for the consent of the parties to be bound by the treaty". Clearly a national referendum which repudiates Britain's membership of the EU and the obligations attaching to membership is just such a "fundamental change".

Articles 65-68 of the Convention set out the procedures for withdrawal. Of particular note is Article 65 which specifies a minimum of only three months' notice of withdrawal.

While I think the British people would accept that a longer period of negotiation would be necessary to unscramble and remake the UK-EU relationship, Article 65 would be a useful bargaining chip if the negotiations with the separate EU states and agencies became long drawn out. The VCLT makes clear that the negotiations are to be concluded between the *signatory states*, not derivative bodies set up or endorsed by the treaty like the EU Commission and the European Parliament.

The preamble to the EU Lisbon Treaty clearly states that it *is* a treaty between states and *not* a constitution as asserted by some. Under the VCLT there is an implied provision for the case where some signatories won't agree.

However fine the distinction is between a treaty and a constitution on a daily basis, for the business of withdrawal it is an absolutely crucial distinction which we need to hold on to in order to avoid the negotiating cat's cradle of Article 50 which Rodney Atkinson's letter (21st June) draws attention to.

PROF. STEPEHEN BUSH
Suffolk

Wishing you a happy summer recess, next eurofacts 20th September

MEETINGS

FRINGE MEETING LABOUR CONFERENCE

Labour Euro-Safeguards Campaign
020 7388 2259

Monday **23rd September**, 5.45 pm

“Why Labour should now support an EU referendum”

Kate Hoey MP
Kelvin Hopkins MP
Mark Seddon
Graham Stringer MP
Chairman, **Austin Mitchell MP**

PUBLIC MEETING
My Hotel, 17 Jubilee Street, Brighton
BN11 1GE
Admission Free

FRINGE MEETINGS CONSERVATIVE CONFERENCE

The Freedom Association
0845 833 9626

Monday **30th September** all day
Tuesday **1st October** all day

The Freedom Zone

Two days of a collection of speakers on Britain and Europe and other freedoms.

Further details and speakers to be announced

PUBLIC MEETING
Bridgewater Hall, Lower Mosley Street,
Manchester M2 3WS
Admission Free

Bruges Group
020 7287 4414

Monday **30th September**, 1.30 pm

Further details and speakers to be announced

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Bruges Group
020 7287 4414

Saturday **9th November**, 10.30 am to 6.15 pm

Further details and speakers to be announced

INTERNATIONAL CONFERENCE
Royal Over-Seas League, Royal Over-Seas House, 6 Park Place, St James's Street, London SW1A 1LR
Admission charge to be announced

DIARY OF EVENTS

UK Parliament **3rd September**
Recess Ends

UK Parliament **13th Sept-8th Oct**
Conference Recess

Lib-Dems **14th-18th September**
Party Conference
Glasgow

UKIP **20th-21st September**
Conference
London

Labour Party **22nd-25th September**
Conference
Brighton

Conservative Party **29th Sept-2nd Oct**
Conference
Manchester

2014

Greece takes over **1st January**
EU Council Presidency

European Union **approx date June**
MEP elections

Italy takes over **1st July**
EU Council Presidency

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www.bwmaonline.com

Bruges Group

www.brugesgroup.com

Campaign Against Euro-Federalism

www.caef.org.uk

Campaign for an Independent Britain

www.freebritain.org.uk

Democracy Movement

www.democracymovement.org.uk

English Constitution Group

www.englishconstitutiongroup.org

EU Observer

www.euobserver.com

EU Truth

www.eutruth.org.uk

European Commission (London)

www.cec.org.uk

European Foundation

www.europeanfoundation.org

European No Campaign

www.europeannocampaign.com

EU Referendum Campaign

www.eureferendumcampaign.com

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www.tfa.net

Global Britain

www.globalbritain.org

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www.global-vision.net

June Press (Publications)

www.junepress.com

Labour Euro-Safeguards Campaign

www.lesc.org.uk

Labour for a Referendum

www.labourforareferendum.com

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www.newalliance.org.uk

Open Europe

www.openeurope.org.uk

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www.sovereignty.org.uk

Statewatch

www.statewatch.org

Team

www.teameurope.info

EU Referendum

www.eureferendum.com

The People's Pledge

www.peoplespledge.org

The Taxpayers' Alliance

www.taxpayersalliance.com

United Kingdom Independence Party

www.ukip.org

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