

Who guards the guardians?

Why does the Electoral Commission routinely fail to protect our electoral system?

Lord Vinson of Roddam Dene

The Electoral Commission (ElCom) is an institution with a lamentable record of failing to fulfil its role as guardian of our political system. After so many contrary and arguably politically partisan decisions in recent years, one has to ask: Who guards this guardian?

Its Chairperson, Jenny Watson, as a former women's rights activist and former member of Liberty and Charter 88, has a strong left-wing influence in her background. Why Ms Watson was ever considered an appropriate candidate for such a politically sensitive role is open to question. The appointment was made in 2007 by the Labour Government, under Gordon Brown's premiership, which perhaps explains a great deal.

What is less easy to understand is why her tenure was renewed under David Cameron's premiership, when her first period in office came to an end on the 31st December 2012. By then, ElCom's propensity for getting it wrong was becoming well known and most of the problems had occurred under Ms Watson's leadership. She is in the post until 31st December 2016, at a salary of £100,000 pa, for a three day working week.

During that time the details of the EU membership referendum are to be confirmed and ElCom will have a major influence over the running of the campaign; will it be balanced or will it favour those campaigning for the UK to remain in the EU? The recently

published draft European Union (Referendum) Bill contains no reference to a 'purdah' period in the run-up to polling day, which allows the Government and EU agencies free reign to make public announcements designed to influence the vote. An attempt to amend the Bill to reintroduce the purdah has failed, largely thanks to an abstention from the Labour Party.

Certainly, those in favour of staying in are already ahead of the game in being given the opportunity to fight for a 'Yes' vote on the question: "Should the UK remain a member of the European Union". Those in favour of leaving are already disadvantaged by having to fight for a negative, not least because the underlying question that trumps everything is not being asked. "Who do you want to be governed by: The UK Parliament or the European Union?"

On the question of partiality, ElCom has previously been taken to task due to its failure to pursue the Liberal Democrats over a £2.4 million donation from a criminal. It was sharply criticised by the Parliamentary Ombudsman, who described its failure to act as 'maladministration'. Contrastingly, at taxpayers' expense, it pursued UKIP right up to the Supreme Court over £367,000, from a donor who had forgotten to register as a voter, in a single year. Sensibly, the Supreme Court ruled against ElCom.

ElCom had to weather considerable criticism over its management of the 2010 General Election. There were allegations of fraudulent postal voting in Tower Hamlets, shortage of ballot papers in Liverpool (as many as 20% of voters are alleged to have been unable to vote), and failure to foresee problems at polling stations, which found themselves over-run with voters as the 10pm deadline approached. The 2015 General Election put ElCom right back in the firing line over some familiar problems but also some new ones.

It took the High Court to finally sort out the long running allegations about voting fraud relating to the election of the Mayor of Tower Hamlets, who was dismissed in April this year, after being found guilty of electoral fraud and intimidation. The Metropolitan Police are now considering a criminal investigation. Unfortunately, it seems that little has been learned because dozens of postal votes for the General Election were sent to an uninhabited block of flats that has been boarded up for months, while it undergoes refurbishment. None of the people who are supposed to have applied for these votes lives in the building and one of them is dead. Voting fraud in this part of the world has been repeatedly drawn to the attention of ElCom but with little visible result.

ElCom has also overseen a major change in the system for registering

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voters, which now has to be done on an individual basis, rather than by household. The changeover went horribly wrong, with the number registered to vote falling by some 900,000 and the list of voters in England falling by 2 per cent. Despite a last minute rush to meet the 20th April deadline, it is estimated that of the 45 million people who were eligible to vote on the 7th May, as many as 7.5 million were not registered. It is hard to see why ECom was so slow to react to this problem.

There are also an unknown number of expats gnashing their teeth because they could not vote in the General Election. Hundreds of expats in Australia, Singapore, France, Brazil and the US, who applied in good time to vote, found their ballot papers arriving in the post on election day, with only standard UK postage on them or they did not arrive at all. ECom is promising to look into it. One hopes they will be more effective than they have been in Tower Hamlets!

ECom has a dreadful record for allowing confusion or 'passing off'. In the European Parliamentary Election last year, almost a quarter of a million people voted for an unknown political party called 'An Independence from Europe.' This new name, approved by ECom, with the slogan 'UK Independence Now' appeared on the ballot paper, well above the more well-

known UKIP, causing great confusion and claimed tens of thousands of votes. At least two seats went to parties that would not otherwise have been elected. ECom also had to apologise to the Rigby family for thoughtlessly allowing the slogan: 'Remember Lee Rigby' to appear on European Election ballot papers in Wales.

Earlier this year it was brought to the attention of ECom that comedian Al Murray was publicly promoting the name of a new political party, 'Free United Kingdom Party' or FUKP and that it might cause confusion, in connection with his candidacy for Thanet South. Despite the potential for confusion with the UKIP campaign for the same seat, ECom actually went out of its way to contact the comedian to encourage him to register his party. It wasted no time in approving the name when Murray complied but rejected the unpleasant acronym. This is one of ECom's most contrary and naïve rulings, given that Murray so obviously targeted Nigel Farage and used the campaign to promote an event in which he was performing, on election night. He also freely used the acronym 'FUKP' on billboards, even if he couldn't have it on the ballot paper, a major triumph for good taste, thanks to ECom.

In one of its characteristically vapid statements, ECom said: 'We concluded that this party name, if used on a ballot paper, was not likely to lead

to electors confusing it with another registered party'. Voting can be a stressful experience, particularly for the elderly and those who are not politically savvy. Some voters might well have been confused by two similarly named political parties appearing on the ballot paper. Doubtless there were also some who thought voting for a comedian rather than an established politician was humorous, yet it is hard to see how this benefited anyone, other than Murray and his ticket sales. ECom was complicit in allowing our political system to be used for commercial gain.

To make matters worse, it has subsequently been revealed that the fly on the wall documentary which followed Murray's campaign was commissioned by UKTV, which is 50 per cent owned by the BBC and personnel from the production company, Avalon, acted as his agent and treasurer. One really has to wonder how this outrageous publicity stunt could have been so readily approved by ECom.

How much longer will ECom be allowed to blunder on before someone at Westminster grasps the nettle and seeks major reform, to ensure that its impartiality is not constantly being questioned and that it genuinely protects the interests of the electorate and the integrity of our electoral system? The present shambles is unacceptable.

Asian power

According to an annual report by the Boston Consulting Group (BCG), Asia has overtaken Europe as the world's second richest region.

The Asia Pacific, excluding Japan,

held \$47 trillion (£30 trillion) in private wealth last year as the number of new millionaires rose in China and India.

North America is the world's richest

region with \$51 trillion (£33 trillion), but is expected to be surpassed by Asia in 2016.

Asia is also projected to hold 34% of global wealth by 2019.

Business outside the EU

The chairman of construction equipment firm Lord Bamford, said while talking to the BBC Midlands, the UK should not fear an

out from the EU. "We are the 5th or 6th largest economy in the world. We could exist on our own - peacefully and sensibly".

He went on to say that an exit would enable the UK to "negotiate as our country rather than being one of 28 nations",

Britain a fair referendum

Rodney Atkinson

The British people have always opposed membership of the European Union. They expressed, in all opinion polls, complete opposition (between 60 and 70%) to removing *specific* sovereign powers in virtually all areas of policy making and when asked whether the British or European parliament should rule supreme they clearly stated the former. But when it came to Government-organised votes on Europe they were not asked those questions – but a cosy, vague and indefinable “question” slanted towards the establishment view.

Today, long before the putative date of a referendum on whether Britain should remove itself from the constitutional structures of “the country called Europe” as the EU calls itself and long before it is clear whether any meaningful concessions have been wrung from Brussels, the Cameron Government is following the well worn path of public manipulation of referenda.

Government will and have as usual selected a question and the answer the Government wants will be “Yes” – psychologically an easier vote – while the psychologically harder “No” will be the option the Government does not favour. Doubtless also the first option on the ballot paper will be “Yes”!

Therefore it is quite clear for any democrat anxious to secure an informed vote that there must be no question – just alternative statements set out on the ballot paper. Two alternative statements must by their nature be far more explanatory than the simplistic “Yes-No” – which is why of

course politicians tend to avoid such clarity when questioning the true sovereigns (the people) in a ballot.

At least the Government has restricted the vote on the future of the British to those qualified to vote in British parliamentary elections, but they evidently still need to be persuaded to offer a democratic form of the ballot paper itself.

The ballot paper should therefore contain two statements, set out in two boxes at the same level on the ballot paper. Those statements should read:

“I want the UK to accept membership of the European Union” and

“I want the UK to form a free trading self governing relationship with the European Union”.

For it is evident that (despite the scare mongering of ignorant big business over “leaving Europe”) that trade and mutual cooperation between Britain and the EU will continue after any abandonment by the British of the European Constitution. After all the Swiss trade a far higher percentage of their economy with the EU than Britain, despite never having been a member!

Equally important are the conditions under which the campaign is conducted. The great Thomas Paine famously enunciated the principle: *“Government has no right to make itself a party in any debate respecting the principles or modes of forming, or of changing, constitutions. It is not for the benefit of those who exercise the powers of government, that constitutions, and the governments*

issuing from them, are established.”

So neither the Government nor the Government machine should be active in the forthcoming referendum. The Governing parties should not be active as participants and their members and MPs should only be active as supporters of one side or the other – both of which should have equal public funding and provide scrutineers at all counts. A Referendum is of the People and the Government should have no separate role to play.

No funding for either side should be allowed from business, trade unions, the European Commission or any third party nor should any third party be permitted to provide any materials, services or facilities whatsoever to the competing campaigns or to the British public in any form. The penalty for infraction should be a fine ten times the value of the services provided and would invalidate the entire referendum.

Since there is no automatic provision for implementing the result of a referendum in the British constitution or democratic tradition the enabling legislation must make the result of the referendum binding on Parliament and politicians.

Should the decision be to leave the European Union then the 1972 European Act will be repealed within 6 months and the United Kingdom will leave the European Union and begin negotiations as an unencumbered sovereign State to establish free trading and co-operation agreements with the EU and EEA States not part of the European Union and the British Commonwealth.

Value of euro affects UK compensation

Millions of British bank customers will get £10,000 less compensation from the 1st January 2016 if their bank goes bust the Bank of England has announced.

The reason being that the existing

limit to the Financial Services Compensation Scheme (FSCS) is run under a European directive, which sets out the limit at 100,00 euros. This year that amounted to £85,000 but as the value of the euro has dropped the new

conversion figure is to be set at £75,000.

So the value of the euro can, due to EU regulations affect the rights of the UK citizens outside the eurozone. Pity the UK can't set its own level!

International FDI

In 2012, for the first time in modern history, developing economies received more foreign direct investment (FDI) than developed economies

Growth in global flows of inward FDI came to a halt in 2007. Growth resumed in 2009 only to fall back again in 2012, when the value of global flows was only two-thirds of its 2007 level.

In 2012, inward flows of FDI in “Continental EU” (EU-27 less the UK) were less than a third of their 2007 level.

In 2012, inward flows of FDI in the UK were also less than a third of the 2007 level.

The UK accounts for approximately a quarter by value of EU inflows of FDI.

The UK share of global flows of inward FDI was 10% in 2007, 5% in 2012.

The share of global flows of inward investment accounted for by “North America” (Canada plus the USA) remained roughly stable at around 16% between 2007 and 2012.

Since 2007, FDI flows to developing countries have been much more resilient than flows to developed countries. In 2012, developing countries accounted for 52% of global inward FDI.

In 2011, the UK was the world’s sixth-biggest receiver of inward investment.

In 2011, the UK was the world’s fifth-biggest outward investor-country.

Inward FDI Stock at end -2012

“Stock” means the cumulated net (investment less disinvestment) amount of inward investment since records began. In certain countries, including the UK, inward and outward FDI flows began centuries ago.

In terms of inward stock, the global share of the whole EU, including the UK, was 34% while that of North America (Canada plus USA) was 20%.

The UK share of global inward

stock of FDI was 6%.

The share of developing economies in global inward FDI stock in 2012 was 34%, compared with 62% for developed countries.

Notes and Sources:

1. The statistics in this article are from the report published during 2013 by the Geneva-based United Nations body, UNCTAD: *World Investment Report 2013*, United Nations Conference on Trade and Development: ISBN: 978-92-1-11268-0: www.unctad.org>Publications>World Investment Report 2013.

2. Global Britain Briefing Note 64: *The Rotterdam-Antwerp Effect and the Netherlands Distortion*, 7th January 2011 and Global Britain Briefing Note No 32: Foreign Direct Investment: *The Netherlands Distortion* 4th June 2014.

3. Global Britain Briefing Note No 91, 22nd February 2014 - International Foreign Direct Investment

Mistaken assumptions of the EU referendum battle

The following is from a series of briefings on the EU referendum dated 10th June by the think-tank Futurus.

* Business supports staying in the EU. **WRONG.**

Many businessmen make speeches about the advantages of staying in the Single Market. It is perfectly possible to stay in the Single Market and leave the EU, as detailed in the FLEXCIT plan. Businessmen do not make speeches about supporting any other part of the EU membership.

* The referendum is about business. **WRONG.**

By staying in the Single Market there will be no change to jobs, investment or trade.

* The referendum is about the UK’s trading arrangements. **WRONG.**

Staying in the Single Market means there will be no change to jobs, investment or trade. Deciding future trading arrangements will be done at a future date by the democratic discussion in an independent UK.

* The alternatives are presented as staying in the EU as it is or departing to an unknown future. **WRONG.**

There is no option of staying in the EU as it is. The correct alternatives were put by Jacques Delors, in 2012:

“If the British cannot support the trend to more integration in Europe, we can remain friends but on a different basis. I could imagine a form such as an European Economic Area or a Free Trade Agreement.”

* The referendum is about whether or not Cameron’s reforms are satisfactory. **WRONG.**

The referendum is about ‘in’ or ‘out’

of the European Union, not choosing between an ‘unreformed’ and ‘reformed’ European Union.

A ‘remain in’ vote proved to be a **blank cheque** in 1975. The British government took a ‘yes’ vote as authority to push through numerous further treaties, further integration and loss of independence. A new ‘yes’ vote is another blank cheque.

* The referendum is about British influence and sitting at the ‘top table’. **WRONG.**

The UK is not, and does not want to be, a member of the inner core of the EU either in the eurozone or the Schengen agreement on open borders. This lack of involvement has not diminished British influence because the EU long ceased to be the ‘top table’ and is nowadays more a transmission belt for regulation from global bodies.

Outside the EU the UK can prosper

The executive summary of this well written pamphlet that follows tells you all you need to know about why and how the UK can easily and profitably exist outside the narrow confines of EU membership.

* The Eurocentric orientation of the UK is misplaced. Emerging markets, by 2018 are expected to account for 45% of world GDP and the EU's share will have declined from 34.1% to 20.2%, with the Eurozone representing an even smaller 14.6%. China's share is predicted to surpass the entire Eurozone by 2018.

* Nations that can address this extraordinary shift in global growth will capitalise most effectively with these new trade flows. The attractive European trade bloc of the 1970's does not look so attractive in this light, given the Eurozone's inexorable decline of the share of global GDP. The UK is uniquely well placed to exploit these shifting trading patterns given its global links and its service and financial sector.

* British manufacturing remains comfortably within the top ten, in terms of output, globally. The UK is now a net exporter of motor cars with four out of every five cars produced in Britain exported. Britain is the world's second most significant aerospace manufacturer, possesses two out of the top ten global pharmaceutical

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by Ewen Stewart

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companies while also having strong positions in marine, defence systems, food, beverage and tobacco manufacture, off-shore engineering and high-end engineering and electronics. British design, be it in fashion or sports cars, continues to be world beating.

* Britain's manufacturing base has shrunk, in common with most other developed economies, as the Far East has undercut on price. However, the UK retains a key skills base and has developed a high-end, high-margin capability. Membership of the EU, with its cost pressures has almost certainly done more harm than good to this capability. Industry has little to fear from withdrawal.

* The UK is a world leader in sport, media and culture. Higher education is also a great strength with British universities ranked amongst the best in the world. This coupled with the

growing strength of the English language and our traditional excellent global links gives the UK real influence in world affairs. This will not change once we are outside the EU.

* While the US is the pre-eminent power for 39% of all global defence expenditure and an even greater technological lead the UK's defence expenditure remains in the global top four. Technologically too Britain's forces, while numerically modest, are highly advanced. Technology generally trumps numbers. The UK is perhaps one of only 5 or 6 nations that can still project power across the globe.

* As the world's 5th largest economy Britain will not be isolated by leaving the EU. On the contrary British power would, in some cases, be enhanced. For example we would swap our 12% EU voting weight at the World Trade Organisation for a 100% British vote.

* The UK is currently estimated to be a member of 96 different international governmental organisations so the loss of one such organisation, albeit a very important one, is unlikely to be damaging.

* Inside the EU we are punching below our weight and should do better. Self-belief coupled with a hard analysis of the nexus of power and strategic advantage will lead to this being addressed but that can only be once we are outside of the EU.

Merkel's crisis

The Greek crisis has turned into a crisis for Angela Merkel crisis.

Alexander Tipras, the Greek prime minister has discovered that the Eurozone like the EU itself, is actually run and controlled by the German Chancellor Angela Merkel.

No surprise to the UK, but it appears to have finally hit home in France, its co-partner in the formation of the Eurozone.

Merkel who has always being considered to be a good Chancellor is now trying to impose a German style austerity package on Greece, without considering the long-term affects on that country, the reason being that the Eurozone is a political entity much more than a financial one.

Greece may well struggle on at great costs to its social fabric for a little while yet before the bubble bursts and

it either leaves the euro or has its debt reduced as suggested by the IMF.

The flawed euro, paid for by taxpayers and financial institutions looks dead in the water but nobody wants to admit it. The German people have to pay up for this experiment that Merkel has persuade, not surprising then that *Die Welt* the German newspaper has asked whether her legacy is already poisoned.

Immigration a study in financial and moral impoverishment

Anthony Scholefield

Most of the advocates of the economic benefits of immigration confine themselves to assertions or pass on assertions made by others. These advocates include the drafters of the last Conservative and Labour manifestos but also widely read commentators, such as David Aaronovitch of *The Times* and Matthew D'Ancona of *The Evening Standard*, as well as the editorial writers of *The Daily Telegraph*. These journalists are not regarded as experts but simply are generalist commentators who do not have any economic or accounting expertise but are simply passing on the beliefs of the political class.

But there is another group in favour of immigration – those who style themselves as 'freemarket economists' and claim expertise.

These would include *The Economist*, the *Wall Street Journal*, *The Adam Smith Institute*, *The Centre for New Europe*, *Open Europe*, and *The Daily Telegraph* financial page. Mostly these follow the same line or argument as the generalists with little economic analysis and zero accounting analysis of the effects of immigration.

Occasionally, in passing, they do notice that lower skilled natives are seeing their wages reduced. Sometimes they take cognisance of crowding-in effects caused by an influx of immigrants. their usual reaction is that of Queen Marie Antoinette with innumerate calls for 'policies to relieve strains on public services and living standards' by the *Economist* and Laslo Andor, the EU Immigration Commissioner, telling us, "*The answer to these problems is to invest in new facilities, housing and services not to turn away people*". There is talk about the 'pressure on public services' although why that should be any

different from the situation of the capital sector or the private sector as a whole is never explained. This is a soundbite.

They do not quantify the cost of supplying the capital requirements of immigrants, which are truly colossal. They do not identify who is to pay these costs but you can be sure it is the native taxpayer and native workers. They do not calculate how the costs of providing capital equipment for immigrants massively outweigh the economic benefits they allege are bestowed on natives by immigration.

Economic Effects of Immigration

When an immigrant steps off an aeroplane in London or New York, he arrives in a country whose native inhabitants have accumulated capital and wealth over generations and centuries. From the moment of arrival, he makes use of this wealth – the airports, the roads, the water supplies. Later, he requires the 'tools of production', housing, health services, churches, colleges and cultural institutions, etc.

British and American politicians and commentators have typically addressed only the aggregate GDP effects of immigration and, in the case of Britain, the three major political parties have regarded these as favourable.

From the economic point of view, this is a partial analysis.

The issue of the impact of immigration on wealth is rarely mentioned. The essence of this is as follows – when an immigrant worker arrives without capital and earns the same as a native worker, that means the wealth of the country is being shared among more people and, therefore, wealth and capital per head are reduced.

To put it another way, how can an

immigrant worker finance his initial stake in society – the same amount of wealth that the native workers have been building up over centuries?

There are two conclusions:

1) It is a consensus by economists, although it is not advertised by them, that capital is supplied for immigrants by inducing a depression in the wages of native workers due to increasing the supply of labour vis-à-vis capital.

2) Even though native wages are depressed, this process will not fully supply an immigrant worker with his requisite share of wealth. So capital per head in the new migrant and native economy is less than in the previous native only economy and, for a long time, it is a lot less.

Natives lose out both ways:

1) Their wages are reduced.

2) Their wealth per head is reduced.

So their standard of living is reduced as well.

The process of depressing the wages of native workers also raises the question – is it socially and morally right to deliberately depress the earnings of native workers in order to provide capital and wealth for immigrants?

The American Experts - The fundamental economic benchmark relating to the economic effects of immigration is that put forward by the National Research Council of the USA, which states that "*if immigrants have exactly the same skill distribution as domestic workers and if they have brought sufficient capital with them to maintain the US capital/labor ratio, then natives will neither benefit nor lose from immigration*".¹

Clearly, the vast majority of migrants bring little or no capital with

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them.

The process of capital adjustment is quite clearly spelt out by economists, if not by politicians – falls in the wages of native workers fund the capital requirements of immigrants.

This was put by Professor George Borjas, the Harvard expert on immigration:

“In other words, if native workers are not harmed by immigration, many of the benefits that are typically attributed to immigration – higher profits for firms, lower prices for consumers – cease to exist.”

“As I pointed out earlier, no pain, no gain.”

[“Heaven’s Door: Immigration Policy and the American Economy”, by George J. Borjas]

Most economic discussion on migration has concentrated on the impact of migration on aggregate GDP but this is only part of the picture.

To take a simple point, all that is reflected in GDP figures for housing is the annual addition, which in Britain is around 135,000 houses (net) per annum, plus the cost of repairs, etc. The existence of 20 million houses plays no part in GDP calculations, but does play an immense part in wealth and ‘standard of living’. All other ‘created assets’, such as roads, schools, factories, etc., play the same role.

To consider the standard of living of a country’s inhabitants, we must not only take account of the income and expenditure account, or GDP, but also the wealth or balance sheet. Standard of living does not depend solely on GDP; it also depends on the use of the accumulated wealth, such as houses, buildings, roads, factories, water supplies, power stations and a myriad other items. These are not reflected in GDP, except in the form of marginal annual additions.

Migrants without Capital - What happens when the immigrant worker does not have capital with him? We then have the phenomenon of ‘crowding-in’. Immigrants use dwellings more intensively; they overload transport, water resources and all the other accumulated capital (we assume the native economy is in equilibrium). Production per head decreases, because there is capital dilution and so each worker has fewer ‘tools of production’. As the *National Institute Economic Review* (No. 198, October 2006) pointed out: “For each extra pair of hands income rises less in proportion because there is no extra capital.”

This diverts some capital from the job of intensifying the wealth of natives to that of supplying the needs of immigrants – either voluntarily, by the means of capital readjustment described below, or through government taxation. So, the increase in the capital backing of natives is reduced, and there may also be some diversion of natives’ consumption into supplying capital to immigrants. Immigration, therefore, reduces the wealth and consumption of natives.

Thus not only is the per capita GDP of the new, combined workforce of natives and immigrants reduced below the previous per capita GDP of natives by the effects of immigration without capital, but so is the accumulation of the wealth of natives, their standard of living, and also, therefore, their future production.

The Theory of Capital Adjustment

It is necessary also to look at the dynamic effects on capital and wealth.

Any arguments that migration benefits native workers centre on the increased returns to capital, which create a fresh demand for workers and a new equilibrium, with higher levels of capital and employment (but not higher amounts of capital per head).

It should be noted that the leading American academics, such as the NRC and Professor Borjas, do not claim that the increased returns to capital will do any more at best than restore native wages to the pre-immigration level. In its second major study, entitled *‘The Immigration Debate, Economic, Demographic and Fiscal Effects of Immigration’*, the NRC stated: “We are not, of course, suggesting that immigration caused an improvement in real wages”.²

This fits in logically with the NRC analysis quoted earlier, demonstrating that, once immigrants acquire skills and capital similar to those of the natives, the economy will simply enlarge pro rata. So the American academics believe that increased returns to capital are only effective up to the point at which immigrants have the same skills and capital as natives.

This must be the logical conclusion. Furthermore, the NRC states:

*“As already mentioned, in the short run the influx of new labor is likely to depress the capital-labor ratio before it is restored through new investment. If the capital stock is disproportionately owned by native-born residents ... then native-born owners of capital will benefit temporarily from higher returns to capital. Indeed, it is this higher return to capital that (in part) is thought to induce an increased volume of investment that ultimately restores the capital-labor ratio to its pre-immigration level.”*³

The theory of capital adjustment makes it clear that money taken away from native workers is used to fund the capital required by immigrants. Capitalists are an intermediary in this process. Of course, much British capital is now foreign owned and, therefore, there is a loss to British workers and a gain for foreign and British capitalists at least until a new

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equilibrium is reached which would be more than a lifetime.

So, for natives, the whole process of immigration means initial losses, immense dislocation, reduced production per head, a reduction in the standard of living due to wealth dilution, with the ultimate result that the capital-labour ratio is restored to its pre-immigration level – or, put another way, ‘as you were’. This is not a good deal for natives, since the proper accounting of capital adjustment shows this does not return wealth to its pre-immigration level.

There is simply no respectable argument that immigration will ever generate added returns for natives, unless immigrants have skills and capital that are superior to those of natives.

Moral Impoverishment - Considering

only the economic issues, there are moral objections to mass immigration. That is, regardless of the national, cultural and other objections.

First, it is the consensus among serious economists that it redistributes income from those natives competing with migrants towards capitalists and complementary labour. In the UK, much capital is foreign owned so the distribution is partly from British workers to foreign capitalists.

Second, capital equipment – housing, schools, hospitals - is supplied for migrants by diverting investment from, and cutting wages for, native workers.

Their wages and wealth per head are reduced.

Third, immigrants are not informed that they automatically take on their relevant share of government debt and off balance sheet liabilities. This burden per family is now far in excess of average mortgage debt for housing.

This debt was incurred by government spending and future promises from which they do not benefit and, indeed, was taken on before they migrated. Their position, therefore, can be seen as a form of long-term debt peonage.

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1. The New Americans: Economic, Demographic, and Fiscal Effects of Immigration.
 2. Economic Impact of Immigration: 1st Report of Session 2007-08: Evidence by House of Lords. Select Committee on Economic Affairs.
 3. NRC, ‘The Immigration Debate, Economic, Demographic and Fiscal Effects of Immigration’.
- (All 3 references available at <http://www.publications.parliament.uk/pa/Id200708/Idselect/Ideconaf/82/82we31.htm>)

Anthony Scholefield, Futurus – January 2015

Is the Queen sovereign?

The Government’s refusal to confirm who has final say on UK nominees to the European Commission raises a question: Is the Queen no longer sovereign?

Despite repeatedly being questioned by the independent Labour Peer, Lord Stoddart of Swindon, the Government has steadfastly refused to confirm who has the final say over nominees to the European Commission, the Commission President or Her Majesty’s Government.

Responding for the Government to Lord Stoddart’s latest request for a direct answer to this question, the Minister of State at the Foreign and Commonwealth Office Baroness Anelay of St Johns has once again avoided answering by falling back on previous non-answers and talking about the need to ‘discuss’ and reach agreement.

Commenting on the Government’s

response, Lord Stoddart said: “It is perfectly clear to me why they wish to avoid answering this important question. To admit that the President of the Commission has the final say means admitting that Her Majesty’s Government has become a vassal of the European Commission and that Her Majesty, whose Government makes the nomination, is no longer sovereign. This makes Jean-Claude Juncker, the President of the Commission, the most powerful man in our country’s government and raises him above Her Majesty.”

European Commission

Question - Asked by Lord Stoddart of Swindon: To ask Her Majesty’s

Government, further to the Written Answer by Baroness Anelay of St Johns on 20 November (HL2790) concerning candidates nominated by member states of the European Union to the European Commission, whether the member state or the President of the European Commission would be the final arbiter of whether the nominee takes office.

The Minister of State, Foreign and Commonwealth Office (Baroness Anelay of St Johns) (Con): I refer the noble Lord to my previous answer. Depending on the particular circumstances and facts of the situation, both parties would need to discuss and agree next steps.

Source: Hansard 15th December 2014

What does continued membership of the EU really mean?

We have already been told that in the upcoming EU membership referendum we are being asked to vote “Yes” to stay in or “No” to leave.

The propaganda machine about threats to the UK if we leave has already swung into action, but what are the threats we face by staying in?

- * The EU will continue to increase its powers over the elected national parties of the members.

- * The cost of membership will continue to increase as it has over the last 31 years. In 1973 Gross payment was £181 million, in 2014 Gross payment was £10,100 million.

- * EU enlargement will reduce the UK’s so-called influence in the EU. In 1973 the UK had 81 MEPs out of 410 in the European Parliament (19.8%). After the 2014 elections the UK had 73 MEPs out of 751 (9.7%).

- * The City of London will come under further pressure to share out its dominant financial position within the EU with the consequent loss of income to the UK treasury.

- * Further EU harmonisation will provide a platform for intrusion into any area the EU sees fit, taxation and education may well fall under this umbrella.

- * What about Treaty changes? Well as we have already witnessed over the

years the EU continues to make inroads into all aspects of life without the need make any new treaties. It just uses the existing rules with the aid of European courts to increase its jurisdiction.

- * The EU is a relatively young entity with grand designs of becoming a world power, to achieve this aim it will continue on its path regardless of the wishes of its citizens or for that matter the UK. The German/French axis will control this process.

- * The EU’s desire for all countries to be inside the Eurozone will remain - plus any new country joining the EU has to join the euro. All this will mean that it will always show a bias towards those inside while making it harder for those not using the euro to have a level playing field.

- * The need for the EU to have a military force over which it alone has control will continue at the expense of the UK. The likelihood being that UK forces will be absorbed into a common military force. This could well include the UK giving up its nuclear weapons to the EU control and command structure.

- * Immigration from the EU will continue although a few promises or short-term derogation may be offered as an olive branch to keep the UK inside the EU. These like Tony Blair’s

talk of reform of the CAP, which led to the UK giving up some of the Thatcher won rebate will prove to be worthless.

- * The power that Germany holds over the EU has become very apparent especially over the Greek financial crisis and the discussions over the situation involving the Ukraine.

- * The democratic wishes of the UK electorate or for that matter any other EU members will be continually ignored for the greater good of the EU. The results of referenda have and will be ignored by the EU unless that result fits into the narrow vision of the EU elites.

- * The shrinking share of world trade belonging to the EU in GDP terms - In 1980 32%, 2010 19% and by 2050 it is estimated to be 15%. This will mean a reduction in the business opportunity of its member states with the resulting reduction in jobs and incomes of the citizens. These citizens like UK nationals who were absorbed into the EU empire without being able to refuse citizenship may well grow to consider themselves EU slaves with all the problems that come with that such implications.

- * The difference in employment levels across the EU will encourage further migration of workers, resulting in a constant pressure on the cultural values of each member state.

Sticky fingers!

According to Lord Stoddart of Swindon, the Queen’s speech in Germany has “sticky fingers of the Foreign Office all over it”.

On expressing his disappointment with Her Majesty the Queen’s speech in Germany, on European unity, accusing the Foreign Office of using the Royal family as “pawns” in the pre-referendum debate.

Lord Stoddart said: It is very unfortunate that the emphasis on European unity in the speech has led to

speculation that Her Majesty was supporting the pro-EU side of the referendum debate. The speech has the sticky fingers of the Foreign Office all over it and I believe it was a clumsy attempt by them to place the monarchy on the side of the UK remaining in the EU.

“The division in Europe referred to by Her Majesty in her speech derives from the chaotic nature of the EU and its attempts to extend its empire eastward while, at the same time,

pursuing financial, economic and social policies within its borders that are leading to huge reductions in standards of living and rioting in some nation states. The Foreign Office should beware of using the Royal Family as political pawns in the debate about this nation’s future as a member of the EU.

“Her Majesty should reflect on the fact that her status has been reduced to that of a European Union citizen, without so much as a by your leave.”

LETTERS

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

Liberation

Dear Sir,

On being liberated from the EU the Greeks will gain freedom to earn their own livings.

A plus for the world will be illustration of a flaw in globalisation.

Of course, we are already part-way along to that understanding. A few years ago super-stores were pleased to offer apples grown in Chile. Now, retailers are keen to sell food produced

locally.

We will all gain more than wholesome olives when Greece is finally released from the EU.

RALPH MADDERN
Warwickshire

Benefits Britain

Dear Sir,

Are benefits 'completely out of hand'? I say yes, and cite one example. The three sisters who took their

children to Syria to join a group fighting against this country and Christianity.

In Britain, they were reportedly enjoying benefits of £640 per week between them which you would expect to cease, but no!

They are still being paid this money weekly either by an arrangement or using a simple cash point - I rest my case.

BARRY A WEBB
Exeter

Letters page of *eurofacts* Vol 1 No 1 20th October 1995

Twenty years on the arguments continue

Tory double talk

Dear Sir,

Malcolm Rifkind's and Michael Portillo's speeches to the conservative party faithful in Blackpool were good examples of sheer brass neck.

Amazing to hear Rifkind saying there's no logic in "ever closer union" when the government of which he's a member signed up to just that (Maastricht Treaty, first page, Article A, second paragraph). Incredible of him to go on about Atlantic "free trade" when the EU's only functioning "policy" is the biggest market rigging exercise in history, the CAP. Come off it Malcolm!

As for Portillo sneering at Brussels over metrication: who signed the relevant directives and who made non-observance a criminal offence? Who do you think? The government of which he's a senior member. Come off it Michael!

When this government actually gets round to NOT signing a directive or two, and NOT slipping thousands of statutory instruments through parliament every year. I'll start believing they're shifting in a Eurosceptic direction.

EDWARD STILES
Leeds

What now?

Dear Sir,

...It is thanks to the organisations that have spread the message of the danger to the sovereignty of Parliament, to individual freedom and national identity, and the subjugation of our courts, as well as the thousands of unwelcome regulations from the European Commission, that the British public have finally realised that supporting current policy could lead us to a new pattern of life that is alien to us.

While we derive much from Europe culturally, we have developed a parallel culture of anglosaxonism which found its way, including its laws and judicial system, to all corners of the world and it is on this that we seem to have turned our backs. This seems to have caused the main Commonwealth and North American states to treat us with some reservations: for example despite Canadian and United States guarantees of our security through NATO, present United Kingdom policy still supports the aim of an independent European defence identity, considered in comprehensible by the previous Republican administration.

We must renew our ties with the anglo-saxon world and our trade

relations with them, as well as with the rest of the world, because as Rodney Leach said recently, the expected reduction in tariffs world-wide will make regional trade blocs irrelevant.

We should nevertheless stay in the Common Market, but reject further integration and scrap Title V of the Maastricht Treaty and rewrite it to confine the Market's political aims to no more than is necessary to make the market workable. The pro-European Members of the Parliament appear indifferent to the way public opinion in Britain has changed over the last year or so; Labour supporters' views must also have altered but for tactical reasons their leaders in Parliament have adopted a more subdued approach.

...we find ourselves in a more integrated Europe and continue to be overwhelmed by European bureaucracy! Remember also that states in the European Union see a British stance over further integration as the last hope of avoiding it, we appear to be the only country in the Union in which public opinion is emerging as a major force in politics (in any case over this issue)...

DESMOND GRANT
London

Wishing you a happy summer recess, next *eurofacts* 18th September

MEETINGS

The Freedom Association
01242 235333

Monday **10th August** 6.30 pm

“London Celebration of Magna Carta’s
800th Anniversary”

Speaker to be announced

PUBLIC MEETING

Captain’s Lounge, HMS President,
London moored on Thames by
Blackfriar’s Bridge

Admission Details to be announced

UK Independence Party
01626 831290

Starting in **September**

“A series of meetings about the UK’s
in/out upcoming EU referendum”

Speakers to be announced

PUBLIC MEETINGS

Venues and further details to be
announced

The Freedom Association
0845 833 9626

Saturday **5th September**,
9.00 am - 6.00 pm

Speakers to be announced

FREEDOM FESTIVAL NORTH
Harrogate

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(includes tea/coffee, bacon butties and
2-course lunch)

Gresham College
020 7831 0575

Thursday **1st October**, 6.00 pm

“*The Costs of Business Cycles*”

Jagjit Chadha, *Gresham Professor of
Commerce*

PUBLIC MEETING

Barnard’s Inn Hall, Holborn, London
EC1N 2HH

Admission Free

The Freedom Association
01242 235333

Monday **26th October**, 6.30 pm

The McWhirter Memorial Lecture

Charles Moore

MEMORIAL LECTURE

Captain’s Lounge, HMS President,
London moored on Thames by
Blackfriar’s Bridge

Admission Details to be announced

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DIARY OF EVENTS

2015

UK Parliament **7th September**
Summer Recess Ends

UK Parliament **17th Sept-12th Oct**
Conference Recess

Lib-Dems **19th-23rd September**
Party Autumn Conference
Bournemouth
Bournemouth International Centre

UKIP **24th-26th September**
Party Conference
Doncaster Racecourse

Labour **27th- 30th September**
Party Autumn Conference
Brighton

Conservative **4th-7th October**
Party Autumn Conference
Manchester
Central Conference Centre

2016

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

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www.bwmaonline.com

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www.brugesgroup.com

Campaign Against Euro-Federalism

www.caef.org.uk

Campaign for an Independent Britain

www.campaignforanindependentbritain.org

Democracy Movement

www.democracymovement.org.uk

English Constitution Group

www.englishconstitutiongroup.org

EU Observer

www.euobserver.com

EU Truth

www.eutruith.org.uk

European Commission (London)

www.cec.org.uk

European Foundation

www.europeanfoundation.org

EU Referendum Campaign

www.eureferendumcampaign.com

Freedom Association

www.tfa.net

Futurus

www.futurus-thinktank.com

Global Britain

www.globalbritain.org

Global Vision

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

New Alliance

www.newalliance.org.uk

Open Europe

www.openeurope.org.uk

Sovereignty

www.sovereignty.org.uk

Statewatch

www.statewatch.org

Team

www.teameurope.info

The People’s Pledge

www.peoplespledge.org

The Taxpayers’ Alliance

www.taxpayersalliance.com

United Kingdom Independence Party

www.ukip.org

The EU: A Corporatist Racket

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