

# How can Britain leave the EU?

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bureaucrats, diplomats and lawyers. It will be because we find politicians with the guts, conviction and will to make it happen. Article 50 is a trap to

prevent it happening.

For those seeking further information, Gerard Batten has written a short pamphlet entitled *The Road to*

*Freedom* that explains how we can leave the EU in more detail. It is available in electronic form by emailing him at; [gerard.batten@btinternet.com](mailto:gerard.batten@btinternet.com).

## Logic disproves a major europhile argument

Anthony Scholefield

There are two arguments used by Europhiles to convince the business community that Britain's membership of the EU is desirable. The first is the alleged benefits of the Single Market; the second is that, if Britain withdrew from the EU, Foreign Direct Investment [FDI] to the UK would fall as much FDI is alleged to come to the UK for the purpose of accessing the rest of the EU market.

Is it a good thing for the UK to have more capital investment? Yes.

It enables increased production, higher wages, because it reduces the labour-capital ratio and it creates a return for UK savers.

Is it a good thing for the UK to attract FDI? Yes.

FDI does not create a return for UK savers but it enables higher production and increased wages.

The proposition put forward by EU

supporters is that, if Britain left the EU, FDI will not come to the UK in the same volume as before because future sales to the EU would decline, presumably because barriers would be erected against British goods by the EU, either tariffs or non-tariffs, in a quantity greater than exist at present.

However, this cannot be a complete and logical argument when British sales to the EU are smaller than the rest of EU sales to Britain, as they have been for a long time.

Unless there are some unspecified reasons for FDI in the rest of the EU to engage in disproportionately low sales to Britain relative to the rest of business capital in the rest of the EU, it follows, from this trade pattern, that more FDI goes to the rest of the EU (so it can access the British market) than goes to the UK (so it can access the rest of the EU market).

Therefore, if the UK left the EU and sales fell both ways between the UK and the rest of the EU - and this impacted on the sales of businesses financed by FDI and, therefore, future FDI - there would tend to be a greater decline in FDI going to the EU than FDI going to the UK. Of course, FDI which comes to the UK not for the express purpose of making sales to the rest of the EU and, similarly, FDI which goes to the rest of the EU for commercial reasons other than exporting goods to the UK, but for other commercial reasons, would not be affected.

The logic is, therefore, that the rest of the EU would lose more FDI than the UK should there be barriers erected to hinder Britain's trade with the EU, post-Brexit.

See: [www.futurus-thinktank.com](http://www.futurus-thinktank.com)

## UK to overtake Germany

The United Kingdom will be in a position to overtake Germany as Europe's largest economy, according to the think-tank the Centre for Economic and Business Research (CEBR).

The CEBR predicts that Germany will lose its current top spot in Europe by 2030.

It cites the UK's population growth as an aid to economic acceleration.

The report echoes the recent confidence of other business groups such as the British Chambers of Commerce (BCC).

Let's hope they are right!

## EU Commission Presidency Race

Who wants the job as European Commission presidency after May 2014 elections?

The post is currently held by the Portuguese conservative Jose Manuel Barroso.

Firstly, the French politician steering the EU's banking reforms, Michel Barnier, has said he is ready to run for the post. To do so he would need the main centre-right bloc, the

European People's Party (EPP) to nominate him, Mr Barnier is currently the European Union's internal market commissioner.

Secondly, a veteran of EU politics Jean-Claude Juncker has also put his head into the race.

Meanwhile Economic Affairs Commissioner Rehn has left the race to be the Liberal groups candidate, but Verhofstadt a former Belgian Prime

Minister remains in the running and is hopeful that he may be endorsed by the European Liberal group.

Rehn is to run for other "senior" EU posts.

How many more names will enter the fray we must wait and see, but we can be sure that Nigel Farage will unfortunately not be included in this competition, or for that matter any other eurorealist individual.