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The pathway to exit from the EU

Anthony Scholefield

After a long spell of stasis, political developments on the future of Britain's own relationship with the EU have shown rapid movement in the last six months. The present scenario is that, if re-elected, David Cameron has promised to renegotiate the terms of British membership of the EU and then, by 2017 (a highly unlikely timetable), to offer a choice between continued membership on new terms and exit from the EU.

Much commentary has focussed on the unlikelihood of any serious or satisfactory changes being made to the terms of EU membership and David Cameron's unwillingness to push for drastic change or to threaten meaningfully that he would advocate withdrawal. This commentary is well founded and has been well ventilated. What has hardly been discussed is what 'withdrawal' or 'exit' would entail.

To the commentariat, this 'withdrawal' has meant Britain giving notice to immediately repeal the European Communities Act and to separate itself unilaterally from the EU and, indeed, some do advocate this.

This scenario, of course, has alarmed business and the City and many actors, such as the CBI, Japanese investors and so on, have issued warnings against withdrawal. The US government and the Japanese government have also joined in. Such business alarm would also communicate itself to the electorate who would be offered a choice which would be portrayed as a risky step into the unknown, against the advice and vehement opposition of business, employers and the wishes of friendly outside powers. This would be bad politics to go along with such a scheme as it would lose referendum voters. It it would also be bad in principle, because a smooth transition out of the EU for business, employment and investment, is in the interest of the British people.

However, in reality, in many minds in the eurosceptic camp there has been a considerable tightening up of thinking both from the IEA, such experienced thinkers as Richard North of the eureferendum website, Ian Milne of Global Britain, Lord Stoddart and others. It is also thought that the IEA Brexit competition will throw up much agreement.

In effect, there is the beginning of a crystallization now that the road to withdrawal will be through use of Article 50 of the Lisbon Treaty, and retention of membership of the EEA (European Economic Area).

If this is the offer of the withdrawalists in a Cameron referendum, it would be a game changer. First of all, use of Article 50 is not some wild xenophobic move to jump off the edge of the world. It is part of the Lisbon Treaty, inserted by Giscard D'Estaing, with provisions for a two-year notice of leaving the EU, together with mandatory negotiation of a 'withdrawal agreement'.

Second, a proposal to remain in the EEA, 'the single market' would kill stone dead the business and foreign investment case against the change. Britain would remain in the Single Market. Trade and employment would continue as normal. Foreign investment would be unaffected.

By leaving the EU but remaining in the EEA, Britain would withdraw from the CAP, the CPP, the Customs Union, common foreign policy and defence, justice and home affairs, economic and monetary union, social cohesion, trade policy, etc. Certainly there would have to be some transitional arrangements and there is one big snag about the EEA, free movement of labour. However, this can be addressed at a later date. (Nor is the EEA arrangement the best for Britain – it is simply the best place to go now).

The pro-EU arguments have exclusively been about employment and investment. Those arguments would be dead.

One other force impelling support for the EU among the political class, but not voiced to the great unwashed, is 'top-tableitis', the urge of British politicians and civil servants to be in on every thing, unlike such statesmen as Lord Salisbury or Bismark or Washington. This is an unacknowledged but powerful motive for their support for EU membership.

While there is a move among eurosceptics to get behind the alternative of the use of Article 50,

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now supported by the United Kingdom Independence Party (UKIP) and the European Economic Area (EEA) alternative, there have been developments on the Left.

Despite confident forecasts that they would do so, neither Labour nor the Liberal Democrats are now proposing an in-out referendum. Douglas Alexander confirmed Labour's intention, not to offer a referendum at this stage, at the September conference.

If there is a Labour or Labour-led government after 2015, it is pretty certain that the Conservative Party will move towards the idea of looser association via Article 50 and membership of the EEA. Indeed, they will have no alternative, if they are to keep their activists and voters on side, if UKIP backs what is a legal, unthreatening and business-friendly path to EEA only membership.

As far as a Tory or Tory-led government is concerned, David Cameron will face, not a choice between a renegotiated membership and what could be portrayed as a risky and destabilising exit. He would have to explain why he did not want to support proposals to keep Britain in the Single Market but jettison all the political baggage of the EU project.

While there is no guarantee of victory, the intellectual reworking and tightening up of the vision of a post-referendum and a post-EU Britain, now looks more feasible, and more attractive, and more authoritative. This vision can win in a referendum.

Debt, National Currency and Democracy

An International conference that was organised by the Greek organisation The United People's Front (E.PA.M.) on "Debt, National Currency and Democracy" took place in Athens, Greece, at the end of November.

Economists, historians, political activists, journalists and movements from all over the world considered the debacle that is the Eurozone and the euro-currency, and how the dismantling of the Eurozone and the re-establishment of national currencies is the only way in which money, banking, credit and debt can be managed to serve the interests of the great majority of citizens and the common good of the different EU countries.

Anthony Coughlan an economist representing Ireland, told the conference that abolishing the Irish pound and joining the Eurozone was the biggest mistake ever made by the Irish State.

He also made the point about how that disastrous mistake had come about, even though it was so obviously against the interests of the mass of the Irish people and that what is really needed is a public enquiry in Ireland - far more than the much-mooted enquiries into the blanket bank guarantee of 2008 or the EU/IMF bailout of 2010.

Anthony Coughlan is an economist, Senior Lecturer Emeritus in Social Policy and director of The National Platform EU Research and Information Centre of Ireland.

Patriotism

Following Nick Clegg's description of EU-sceptics as "unpatriotic", The Labour Peer, Lord Stoddart of Swindon, has hit back.

Lord Stoddart said: "As usual, he speaks the opposite of the truth. Real patriots are people who are sceptical about the ongoing policy of building a country called Europe in which the nation states are all but eliminated. They believe that the United Kingdom should be a self-governing democratic country which makes its own decisions through an elected Parliament and Government, rather than through an unelected bureaucracy and a 28 nation council that merely acts as a rubber stamp for its decisions.

"British Europhiles, like Mr Clegg, are in fact acting as a Fifth Column in assisting the process of denationalising Britain and making it a small part of a huge undemocratic conglomerate, which is continually seeking to extend its writ in Europe and to build an empire that extends even beyond Europe, to include Turkey.

"Tony Blair attacked opponents of British membership of the single currency in a similarly disingenuous manner. Subsequent events have proven him to be wrong then and Nick Clegg is wrong now."

Is EU tax illegal?

The proposed EU finance tax (ETT) in 11 member states would be illegal, according to the bloc's lawyers.

The controversial tax aims to discourage risk-taking by taxing transactions of shares, currencies and bonds.

The 14-page legal opinion concludes the move would exceed member states' tax powers.

It adds that the measure is also incompatible with the EU treaty.