

BRIEFING

WHAT IS OUR AIM AND WHAT IS OUR PLAN?

Our aim is for the UK to **leave** the political, judicial and monetary structure of the European Union (EU) as well as the Customs Union and other Common Policies, but the UK would stay in the Single Market by retaining its European Economic Area membership and would propose to rejoin EFTA.

What would happen?

It must be emphasised that EU membership and Single Market membership are two different matters.

In this plan, entitled FLEXCIT - the work of eureferendum.com and The Bruges Group - the UK would stay in the Single Market by retaining its European Economic Area [EEA] membership and joining EFTA. In due course, it would then make further policy changes as any normal country. Ultimately, the long-term aim would be to change the UK's relationship to the EU to 'joint membership of a European free trade area'. This goal is within reach and will be attained more easily if the political and monetary aspects and other Common Policies of the EU are jettisoned.

In the short term the UK would be in the position of Norway or Iceland.

This is not a perfect strategy, nor is it the end of a process - which will go on for many years - but it is an existent, proven platform which will secure an amicable and stable exit.

How would the UK stay involved with the EU?

- a) The Four Freedoms – which are part of the EEA agreement

It should be noted that EU governments (including the UK) in reaction to the 'sweetheart' tax deals agreed by Juncker in Luxemburg, have actually reduced freedom of capital movement. In the case of Cyprus (and soon to be Greece?) full capital controls have been imposed by the EU Troika. It should also be noted that the provisions of the EEA agreement are more restrictive on freedom of labour movement than the EU membership and also allow further restrictions in exceptional circumstances, unlike the EU.

- b) Horizontal policies associated with the Single Market, such as consumer protection, company law, environment, statistics.
- c) Co-operation in development, training, culture, tourism, etc.
- d) The Single Market.

In addition, the UK would continue to be involved with the EU in inter-governmental matters, may agree to participate in some EU programmes and, in some cases, sign up (inter-governmentally) to EU institutions where they offer better value than going it alone.

What would trigger this?

A referendum to leave the EU having a positive vote, the UK would then serve an Article 50 notice in accordance with the EU treaties, giving two years' notice to leave the EU and start to agree the terms of departure.

What parts of the EU would the UK leave?

The UK would repatriate the 'acquis' (the system of EU law). Just as Ireland and India did when they became independent, bringing the whole acquis into British law allows a seamless transition. Once repatriated, the British parliament would then repeal EU involvement in the following areas:

- The Common Agriculture Policy
- The Common Fisheries Policy
- The Customs Union
- The Common Trade Policy (and regain the UK's seat at the WTO plus the ability to make its own trade agreement with other countries)
- The Common Foreign and Security Policy
- The Common Policy on Justice and Home Affairs
- The Charter of Fundamental Rights

- EU Economic and Monetary Union (the UK is signed up for Stages 1 and 2 but not Stage 3 (the euro) of EMU)
- No involvement in direct or indirect taxation
- The EU Commission
- The EU Court of Justice
- A substantial reduction in contributions to the EU budget
- The 'joint and several liabilities' of all EU members for all EU debts
- Extrication from specific risk exposure to the liabilities of the EU, the ECB and the EIB as soon as possible.

In short, Britain would then be in approximately the same relationship to the EU as the EFTA/EEA countries: Norway, Iceland and Leichtenstein.

Of course, it may be decided that certain functions should be 'bought in' from the EU and also that the UK may decide to participate in some EU programmes, such as in Eastern Europe, on a voluntary intergovernmental basis. Clearly, there must be negotiation with the EU in certain areas and, equally, there will be transitional policies required in some areas such as extrication from debt guarantees.

The advantages of this strategy?

- a) It attains the aim of leaving the political, judicial and monetary structure of the EU.
- b) All those who wish to leave the EU, whatever their ultimate goal, will be able to support Flexcit and the UK staying in the Single Market as a platform to move to future long-term trading arrangements which will take a long time. These arrangements can be debated after exit.
- c) Of all options, it is likely to engender the least hostility from the EU institutions since this option can be traced back to proposals from Presidents de Gaulle and Giscard D'Estang. Indeed, de Gaulle's press conference in 1963 outlined a sensible free trade relationship for the UK to the then EEC.

Further, in December 2012 former head of the EU Commission and the main driver of the EU in his day, and a man highly respected in Brussels, Jacques Delors, told Handelsblatt newspaper:

"If the British cannot support the trend to more integration in Europe, we can nevertheless remain friends, but on a different basis. I could imagine a form such as a European economic area or a free trade agreement."

This correctly stated the alternatives for the UK, “*Supporting the trend to more integration in Europe*” or ‘friends’ on the basis of membership of the EEA.

- d) Having looked at many speeches by business which purport to support the UK remaining in the EU, the only reasons given are the asserted benefits of the Single Market. There are many business speeches in favour of the Single Market but none in favour of the parts of the EU identified above where the UK will leave. No business has ever asked for EU control of justice and home affairs, an EU foreign policy, massive financial transfers from the UK to Brussels or increased exposure to the losses of the eurozone.

Staying in the Single Market removes all business objections.

At one time it is true that many businessmen and business organisations pressed the British government to join the euro. It is now realised that this would have been a disaster on a grand scale.

- e) By staying in the Single Market and reassuring business, the electorate is also reassured that there will be no economic change. The electorate will be comfortable that jobs, investment and trade will be unaffected and business will continue exactly the same as before.
- f) Once a referendum is won this plan sets out a clear and simple plan for action on Referendum Day +1. There can be no doubt about what ‘leaving the EU’ actually means. It is a clear instruction from the electorate and a clear plan for action. It is not an expression of wish which the Executive can implement in the way it chooses.
- g) In the 1975 referendum, a number of outside leaders in the Commonwealth were quoted by the pro-EU leaflet circulated to the electorate as stating they wanted the UK to remain in the EU. This pattern of outside advice was repeated in the recent Scottish referendum.

As the move from EU membership to EFTA/EEA membership is less dramatic, there is little reason for outside leaders to comment or to parse the exact differences between EEA and EU membership.

- h) To win a referendum with a cacophony of options is unrealistic and, even if won, would simply hand the initiative to the ‘more integration’ forces in Westminster who would negotiate as they saw fit. In 1975, the pro-EU literature devoted a great deal of space to describing and

disparaging the great variety of alternatives to the EU offered by the anti-EU side.

The FLEXCIT plan, taking up approximately the position of Norway, is available, off the shelf, and is a proven and existing solution while long-term trading arrangements are debated and implemented over several years.

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