# THE FACTS OF LIFE SAY LEAVE: WHY BRITAIN AND EUROPE WILL BE BETTER OFF AFTER WE VOTE LEAVE

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One of the most striking things about the debate on Britain's future relationship with Europe is that the case for staying is couched overwhelmingly in negative and pessimistic terms, while the case for leaving is positive and optimistic.

Those of us who want to Leave believe Britain's best days lie ahead, that our country has tremendous untapped potential which independence would unleash and our institutions, values and people would make an even more positive difference to the world if we're unshackled from the past.

In contrast, the In campaign want us to believe that Britain is beaten and broken, that it can't survive without the help of Jean-Claude Juncker and his Commission looking after us and if we dare to assert ourselves then all the terrors of the earth will be unleashed upon our head. It treats people like children, unfit to be trusted and easily scared by ghost stories.

# RESTORING A SENSE OF PROPORTION TO THE DEBATE

Indeed, if you listen to some of those campaigning for Britain to stay in the European Union, you would think that for Britain to leave would be to boldly go where no man has gone before.

In fact, of course, it would be to join the overwhelming majority of countries which choose to govern themselves. The In campaign ask repeatedly 'what does out look like?' - as if the idea of governing ourselves is some extraordinary and novel proposition that requires a fresh a priori justification.

Democratic self-government, the form of Government we in Britain actually invented, has been a roaring success for most of the nations who've adopted it. While we enjoyed democratic self-government we developed the world's strongest economy, its most respected political institutions, its most tolerant approach towards refugees, its best publicly funded health service and its most respected public broadcaster.

Under democratic self-government countries such as Australia, Canada, the USA and New Zealand all enjoy excellent economic growth, global influence, the ability to control their own borders, to act independently either to close their borders or open them to more refugees, and strong, durable, trusted security links.<sup>1</sup>

And democratic self-government has manifestly brought benefits to India, Japan, Norway, Switzerland, South Africa, South Korea and scores of other nations all making their way in the world.

#### STAYING IN THE EUROPEAN UNION IS THE REAL DANGER

Indeed the truth is that it is membership of an organisation like the European Union which is an anomaly today.

The former President of the Commission himself, Manuel Barroso, likes to describe the EU as an 'empire ... because we have the dimension of empires'. The facts suggest he has a point though not quite the one he intended.

It is a fact that the EU is a multi-national federation with no democratically elected leader or Government, with policies decided by a central bureaucracy, with a mock parliament which enjoys no popular mandate for action and with peripheries which are either impoverished or agitating for secession.

It's a fact that also describes Austria-Hungary under the Habsburgs, the Russian Empire under Nicholas the Second, Rome under its later Emperors or the Ottoman Empire in its final years.

It is hardly a model for either economic dynamism or social progress. Which is why we should not be surprised that the countries of the EU are proving neither particularly economically dynamic or socially progressive.

It's a fact that youth unemployment in Spain is 45.3%, in Portugal it is 30.0%, and in Greece it is 51.9%.<sup>3</sup>

It's a fact that in Spain, Portugal and Greece eurozone austerity policies have meant cutting spending on health, welfare and public services.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> Australia's economic growth in 2015 was 2.5% GDP, Canada's economic growth was 1.2%, the USA's economic growth was 2.4% and New Zealand's economic growth was 3.4% (IMF, April 2016, <a href="Link">Link</a>). Australia's birth rate in 2014 was 13 per 1,000 population, Canada's was 11 per 1,000, the USA's was 13 per 1,000 and New Zealand's was 13 per 1,000 (World Bank, 2016, <a href="Link">Link</a>).

<sup>&</sup>lt;sup>2</sup> Telegraph, 11 July 2007, link. A video of the former President's comments can be found here.

<sup>&</sup>lt;sup>3</sup> Eurostat, April 2016, <u>link</u>. Statistics for Spain and Portugal are for February 2016. The figure for Greece is for January 2016.

<sup>&</sup>lt;sup>4</sup> For a comprehensive description of the impact of austerity policies on these countries, see the Oxfam report 'A cautionary tale' (Oxfam, September 2013, <u>link</u>).

It's a fact that not a single one of the world's top 20 universities is in the Eurozone.<sup>5</sup>

It's a fact that euro bailouts have meant taxpayers money from across the EU has gone into paying off the bankers who got European nations into a mess in the first place.

And yet we are somehow expected to believe that if Britain left the organisation which gave us the economic disaster of the euro and turned the world's richest continent into its slowest growing, that it's this country which would be acting irrationally.

The only thing that's irrational is the picture the In campaign paints of life as an independent nation.

Some of the In campaigners seek to imply, insinuate and sometimes just declare, that if we left the EU we would not be able to take the train or fly cheaply to European nations. If, by some miracle, we somehow managed to make it to distant Calais or exotic Boulogne we would find that - unique among developed nations - our mobile telephones would no longer work. And heaven help us if we fell ill, as citizens from a country outside the EU we would be barred from all of Europe's hospitals and left to expire unmourned in some foreign field.

But the consequences wouldn't end with the Continent becoming a no-go zone. According to some In campaigners, independence also means the devastation of large areas of our national life. Our football teams would be denuded of foreign players, so Premier league matches would have to become - at best - five-a-side contests. And we'd better not schedule those fixtures for dark evenings because there'd be no electricity left for the floodlights after our energy supplies would had suffered a shock akin to the meltdown of a nuclear power plant.

The City of London would become a ghost town, our manufacturing industries would be sanctioned more punitively than even communist North Korea, decades would pass before a single British Land Rover or Mr Kipling cake could ever again be sold in France and in the meantime our farmers would have been driven from the land by poverty worse than the Potato Famine. To cap it all, an alliance of Vladimir Putin, Marine Le Pen and Donald Trump, emboldened by our weakness, would, like some geopolitical equivalent of the Penguin, Catwoman and the Joker, be liberated to spread chaos worldwide and subvert our democracy.

<sup>&</sup>lt;sup>5</sup> According to the QS World University Rankings 2015/2016, (QS, 2016, <u>link</u>) and the Times Higher Education World University Rankings 2015/16 (*THES*, 2016, <u>link</u>).

I sometimes think that the In campaign appears to be operating to a script written by George R.R Martin and Stephen King - Brexit would mean a combination of a Feast for Crows and Misery.

It's a deeply pessimistic view of the British people's potential and a profoundly negative vision of the future which isn't rooted in reality.

The idea that if Britain voted to leave the European Union we would instantly become some sort of hermit kingdom, a North Atlantic North Korea only without that country's fund of international good will, is a fantasy, a phantom, a great, grotesque patronising and preposterous Peter Mandelsonian conceit that imagines the people of this country are mere children, capable of being frightened into obedience by conjuring up new bogeymen every night.

### **LEAVING MEANS A FRESH START**

The truth is that the day after Britain voted to leave the European Union we would not fall off the edge of the world or find the English Channel replaced by a sulphurous ocean of burning pitch.

Quite the opposite. We would be starting a process, a happy journey to a better future. But, crucially, a journey where we would be in control, whose pace and direction we would determine for ourselves. And whose destination we could choose.

By contrast, if we stay in the EU we give up control. Because just as leaving is a process, not an event, so staying in the EU means accepting a process, not settling for a resting place.

Before I explain how the process of leaving would work for Britain and Europe, let me first say a little about the risks of staying.

#### STAYING MEANS BEING A HOSTAGE NOT SETTLING FOR THE STATUS QUO

If we vote to stay, the EU's bosses and bureaucrats will take that as carte blanche to continue taking more power and money away from Britain. They will say we have voted for 'more Europe'. Any protests on our part will be met with a complacent shrug and a reminder that we were given our own very special negotiation and our own bespoke referendum and now we've agreed to stay and that's that. Britain has spoken, it's said "oui" and now it had better shut up and suck it up. In truth, if we vote to stay we are hostages to their agenda.

Brussels has already set out their official timetable for the next great transfer of powers from EU members to EU institutions after our referendum is safely out of the way. It's all there in the "Five Presidents' Report".

It's a fact that under the Qualified Majority Voting rules of the Lisbon Treaty, which the Conservative Party campaigned against, the Eurozone countries have a permanent and unstoppable majority allowing them to set the agenda and overrule British interests.<sup>6</sup>

Worse, under the terms of the recent deal we've struck with the other EU nations we've surrendered our veto on their next leap forward.<sup>7</sup>

Some might argue that we're insulated from that process because we're outside the Eurozone and we're no longer committed to the goal of "ever closer union". Wrong. The Eurozone nations can vote together to impose rules on every EU state - whether in or out of the euro. And we can't veto that.

Deleting the phrase 'ever closer union' offers no protection.

It's a fact that as a phrase - or doctrine - in its own right, 'ever closer union' has only been cited in 0.19% of cases before the ECJ and has not been relevant to any of the ECJ's seminal judgments that expanded its power.<sup>8</sup>

The In camp cannot name a single decision of the court that would have been decided differently had the phrase never been in the Treaties. The Court has the power and freedom to interpret the Treaties as it wishes - which is always in the service of greater European integration, regardless of what our deal might say about "ever closer union". The inclusion of the phrase has not been a driving factor in the EU's expansion. Removing it makes no difference and will not stop the next EU power grab.

And if we try to object, the European Court of Justice - the supreme court of the EU - can force us to submit to the judgment of others regardless of what our population, our parliament or even our own judges might think is right.

<sup>&</sup>lt;sup>6</sup> Voting weights are provided by the Council of Ministers (Council of Ministers, 2016, <u>link</u>). About 80% of all EU legislation is adopted via QMV (Council of Ministers, 2016, <u>link</u>).

<sup>&</sup>lt;sup>7</sup> This is one of the key clauses in Section A of the renegotiation (European Council, 19 February 2016, link).

<sup>&</sup>lt;sup>8</sup> House of Commons Library, November 2015, <u>link</u>.

<sup>&</sup>lt;sup>9</sup> Letter from the PM to Gisela Stuart, copy available on request.

It is a fact that the European Communities Act 1972, and subsequent judgments, make clear that EU law, as decided by QMV and interpreted by the ECJ, trumps the decisions of, and laws passed by, democratically-elected politicians in Britain.<sup>10</sup>

Further, the European Court now has the perfect legal excuse to grab more power - the Charter of Fundamental Rights, which goes even further than the older post-war European Convention on Human Rights.

Of course, we were promised that we had a cast-iron opt-out.<sup>11</sup> The Blair Government originally said the Charter would have all the force in our law of 'The Beano'.<sup>12</sup> In which case Dennis the Menace must be the single most powerful figure in European jurisprudence, because the ECJ has now informed us that our opt-out was worthless and has started making judgments applying the Charter to UK law.<sup>13</sup>

The ECJ can now control how all member states apply the crucial 1951 UN convention on asylum and refugees because the Charter incorporates it in EU law. <sup>14</sup> So Britain has lost control of a vital area of power and the European Court will increasingly decide how our policy must work.

The ECJ has recently used the Charter to make clear that it can determine how our intelligence services monitor suspected terrorists.<sup>15</sup> How long before the ECJ starts undermining the Five Eyes intelligence sharing agreements that have been a foundation of British security since 1945 and which are the source of jealousy and suspicion in Brussels?

The ECJ recently used the Charter to make clear that the European Court - not our Parliament - will decide the issue of whether convicted felons can vote and if so how far this right should be extended.<sup>16</sup>

The ECJ used the Charter to tell us that the European Court will decide whether we can deport Abu Hamza's daughter-in-law.<sup>17</sup> It has even used the Charter to increase the price of insurance for women.<sup>18</sup>

<sup>&</sup>lt;sup>10</sup> R v Secretary of State for Transport, Ex parte Factortame Ltd [1990] UKHL 7, (per Lord Bridge of Harwich), <u>link</u>; R v Secretary of State for Employment, Ex parte Equal Opportunities Commission [1995] AC 1, <u>link</u>.

<sup>&</sup>lt;sup>11</sup> Hansard. 25 June 2007. col. 37. link.

<sup>&</sup>lt;sup>12</sup> Telegraph, 14 October 2000, <u>link</u>.

<sup>&</sup>lt;sup>13</sup> R (NS) v Secretary of State for the Home Department, Case C-411/10, para [120], link.

<sup>&</sup>lt;sup>14</sup> The UK opted into the First Qualification Directive (2004/83/EC, <u>link</u>). Chapter III of this Directive commits member states to apply the Geneva Convention in the fashion set forth in the Directive. The ECJ has the ultimate authority to interpret the Directive. In addition, the Charter of Fundamental Rights contains a freestanding right to asylum (CFR, art. 18(1), <u>link</u>).

<sup>&</sup>lt;sup>15</sup> Digital Rights Ireland v Minister for Communications, Marine and Natural Resources, Joined cases C-293/12 and C-594/12, link; R (Davis) v Secretary of State for the Home Department, Case C-698/15, link.

<sup>&</sup>lt;sup>16</sup> Delvigne v Commune de Lesparre-Médoc, Case C-650/13, link.

How long before the ECJ uses other provisions in the Charter to erode even more of our independence?

How far will the European Court go? We know it does not see itself bound by anything other than a drive to deepen integration.

It has consistently ignored and overruled any body which stands in its way. Even decisions made and agreed by every EU state have been overturned if the court thinks they impede integration.<sup>19</sup>

The Court has rejected deals on human rights which the EU nations agreed at the time of the Lisbon Treaty.<sup>20</sup> It has also overridden the deal that the Danes did with the EU on citizenship in 1992.<sup>21</sup>

We know that it is entirely up to the European Court itself how to interpret the terms of our recent new deal - there is no appeal and nothing we can do about its decisions, just as there was nothing we could when it sank our supposed opt-out from the Charter.

Don't just take it from me. The former Attorney General - and In campaigner - Dominic Grieve said only last year: "the European Court of Justice in Luxembourg has predatory qualities to it that could be very inimical to some of our national practices".<sup>22</sup>

It is clear that if we vote to stay we are voting to give away more power and control to unaccountable EU institutions this year and every year.

If we vote to stay the EU can then press ahead with the plans outlined in the "Five Presidents' Report" which I mentioned a moment ago.<sup>23</sup>

# Those plans include:

- The transfer of powers over tax so we lose vital fiscal freedoms.
- The transfer of powers over the financial system so we are less able to guard against a repeat of the 2008 financial crisis

<sup>&</sup>lt;sup>17</sup> CS v Secretary of State for the Home Department, Case C-165/14, link; Guardian, 6 February 2016, link.

<sup>&</sup>lt;sup>18</sup> Test-Achats [2011] ECR I-773, link.

<sup>&</sup>lt;sup>19</sup> Rottman v Freistaat Bayern [2010] ECR I-1449, link.

<sup>&</sup>lt;sup>20</sup> Opinion 2/13, <u>link</u>.

<sup>&</sup>lt;sup>21</sup> Vote Leave. 13 December 2015, link.

<sup>&</sup>lt;sup>22</sup> House of Lords EU Justice Sub-Committee, Oral Evidence, 27 October 2015, <u>link</u>.

<sup>&</sup>lt;sup>23</sup> European Commission, June 2015, <u>link</u>.

• The transfer of powers over the heart of our legal system - so we are less able to safeguard the integrity of the contract and property law which is crucial to attracting global investors.

If we vote to stay we also risk paying even more of the bills for the euro's failure. We were told in 2010 that we would not be liable for any more euro bailouts. Yet in 2015 those assurances turned out to be wrong.

If we vote to stay, British taxpayers will inevitably be paying ever higher bills for years to come as the EU uses its growing and unchecked power to transfer resources to subsidise failure.

If we vote to stay we are not settling for the status quo - we are voting to be a hostage, locked in the boot of a car driven by others to a place and at a pace that we have no control over.

In stark contrast, if we vote to leave, we take back control.

# ONCE WE VOTE TO LEAVE WE DECIDE THE TERMS OF TRADE

The day after we vote to leave we hold all the cards and we can choose the path we want.

The leader of the In campaign, Stuart Rose, has acknowledged that there will be no turbulence or trauma on Independence Day. "Nothing is going to happen if we come out ... in the first five years, probably," he confessed, and admitted "There will be absolutely no change."24

And just as it is the case that when Britain votes to leave nothing in itself changes overnight, so the process and pace of change is in our hands. There is no arbitrary deadline which we must meet to secure our future - and indeed no arbitrary existing "model" which we have to accept in order to prosper.

It has been argued that the moment Britain votes to leave a process known as "Article 50" is triggered whereby the clock starts ticking and every aspect of any new arrangement with the EU must be concluded within 2 years of that vote being recorded or else...

But there is no requirement for that to occur - quite the opposite.<sup>25</sup>

<sup>&</sup>lt;sup>24</sup> The Times. 17 October 2015, link.

<sup>&</sup>lt;sup>25</sup> For example, Greenland left the EEC in 1985 before article 50 was in force.

Logically, in the days after a Vote to Leave the Prime Minister would discuss the way ahead with the Cabinet and consult Parliament before taking any significant step.

Preliminary, informal, conversations would take place with the EU to explore how best to proceed.

It would not be in any nation's interest artificially to accelerate the process and no responsible government would hit the start button on a two-year legal process without preparing appropriately.

Nor would it be in anyone's interest to hurry parliamentary processes.

We can set the pace.

We will repeal the 1972 European Communities Act, which automatically gives EU law legal force. But we can change it on our terms at a time of our choosing.

After we establish full legal independence we can then decide which EU-inspired rules and regulations we want to keep, which we want to repeal and which we wish to modify.

It is also important to realise that, while we calmly take our time to change the law, one thing which won't change is our ability to trade freely with Europe.

# BRITAIN CONTINUES IN THE EUROPEAN FREE TRADE ZONE

The In campaign often argues that we would find it impossible to reach a trading agreement with EU nations after we vote leave.

While there are, of course, some questions up for negotiation which will occupy our highly skilled Foreign Office civil servants, resolving them fully and properly won't be any more complicated or onerous than the day-to-day work they undertake now navigating their way through EU recitals, trialogues and framework directives.

Indeed, if we vote to stay, that work will only grow more complex, and negotiations in the EU will only become more burdensome. But if we vote to leave, the need for this bureaucratic processology will come to an end.

The core of our new arrangement with the EU is clear.

There is a free trade zone stretching from Iceland to Turkey that all European nations have access to, regardless of whether they are in or out of the euro or EU.<sup>26</sup> After we vote to leave we will remain in this zone. The suggestion that Bosnia, Serbia, Albania and the Ukraine would remain part of this free trade area - and Britain would be on the outside with just Belarus - is as credible as Jean-Claude Juncker joining UKIP.

Agreeing to maintain this continental free trade zone is the simple course and emphatically in everyone's interests.

As our European friends adjust to the referendum result they will quickly calculate that it is in their own interest to maintain the current free trade arrangements they enjoy with the UK. After all they sell far more to us than we do to them. In 2015, the UK recorded a £67.7 billion deficit in the trade of goods and services with the EU, up from £58.8 billion in 2014.<sup>27</sup>

German car manufacturers, who sell £16.2 billion more to us each year than we sell to them, will insist their Government maintains access to our markets.<sup>28</sup> French farmers, who sell us £1.37 billion worth of wine and other beverages, £737 million more than we sell to them, will insist on maintaining access to our supermarkets.<sup>29</sup> Italian designers, whose fashion houses sell the UK £1.0 billion of clothes will similarly insist on access to our consumers.<sup>30</sup>

It has been suggested that, in a fit of collectively-organised and intensively-sustained international pique, all 27 nations of the EU would put every other priority aside and labour night and day for months to bury their own individual differences and harm their own individual economic interests just to punish us.<sup>31</sup>

Now I accept that some in the Brussels elite will be cross at our temerity in refusing to accept their continued rule.

But the idea that the German government would damage its car manufacturers - and impoverish workers in those factories - to make a political point about Britain's choices; or the French Government would ignore its farmers - and damage their welfare - to strike a pose; or the Italian Government would undermine its struggling industries just to please Brussels, is ridiculous.

<sup>&</sup>lt;sup>26</sup> European Commission, February 2016, <u>link</u>.

<sup>&</sup>lt;sup>27</sup> ONS, March 2016, <u>link</u>.

<sup>&</sup>lt;sup>28</sup> OECD, 2015, <u>link</u>, HMRC, 2016, <u>link</u>.

<sup>&</sup>lt;sup>29</sup> OECD, 2015, link, HMRC, 2016, link.

<sup>&</sup>lt;sup>30</sup> OECD, 2015, link, HMRC, 2016, link.

<sup>31</sup> Guardian, 11 March 2016, link.

And the idea that all of them - and 24 other nations - would have as their highest economic priority in the months ahead making it more difficult to sell to Britain - and the belief that they would bend all their diplomatic, political and financial muscle to that sole end - is preposterous.

Why would any of them wish to commit an act of profound economic self-harm? And if any of them did, why would the other EU nations let them?

It is sometimes claimed that we will only get free trade if we accept free movement. But the EU has free trade deals with nations that obviously do not involve free movement. You do not need free movement of people to have free trade and friendly co-operation.

Indeed, worldwide, it's been countries outside the EU's bureaucracy which have been selling more and more goods to EU nations. Over the last five years exports of goods from the United States to the EU increased faster than the exports from the UK to the EU.<sup>32</sup>

Indeed the amount we sold to Europe actually declined after the EU moved to setting more and more common bureaucratic rules in the name of the so-called 'Single Market'. After joining the EEC in 1972 our trade with it did grow. And in 1993, 51.7% of our exports went to the EU.<sup>33</sup>

After 1993, however, our trade with the EU flatlined then declined. Now 56.3% of our exports go to countries outside the EU.<sup>34</sup> Of course increased trade isn't the property of politicians, it's testament to the endeavours and hard work of British entrepreneurs and British workers.

And it's certainly no thanks to the EU's trade negotiators.

# CUTTING DEALS ON OUR TERMS - AND IN A WAY WHICH HELPS THE POOREST

The EU after years of trying still doesn't have trade deals with the US, China or India.

But if we vote to leave we can take control of our trade negotiations and seal those deals more quickly.

<sup>&</sup>lt;sup>32</sup> OECD, 2015, <u>link</u>.

<sup>&</sup>lt;sup>33</sup> ONS, Pink Book 2001, link.

<sup>&</sup>lt;sup>34</sup> ONS, March 2016, <u>link</u>.

We can strip out the protectionism and special interests that drag down EU negotiations, and focus more energetically on reducing barriers to trade - to create more jobs for British workers, greater opportunities for British exporters, and cheaper prices for British consumers.

Instead of having to wait until every concern raised by 27 other nations is addressed during negotiations we can cut to the chase.

It's striking how successful countries outside the EU have been at negotiating trade deals. Switzerland has opened markets of \$40 trillion while Canada has negotiated 10 trade deals since 2009 alone.<sup>35</sup>

Critically, new deals could include enhanced arrangements for developing nations. At the moment the EU maintains a common external tariff on goods of up to 183%.<sup>36</sup> That means produce from Africa or Asia's poorer nations costs far more to import than it should. By maintaining such a punitive level of tariffs on imports the EU holds developing nations back.

An independent Britain could choose to strike free trade agreements with emerging economies and lower tariffs, extending new opportunities to developing nations and in the process, allowing prices in Britain to become cheaper. Leaving the EU would thus help the poorest nations in the world to advance and it would help the poorest people in this country to make ends meet. This is just one of a number of ways in which leaving the European Union allows us to advance more progressive policies.

#### STRENGTHENING OUR ECONOMY

Taking back control of our trade policy would strengthen our country's economic power. But that's not the only direct benefit of voting to leave.

If we left the EU we would take back control over nineteen billion pounds which we currently hand over every year - about £350 million each and every week.<sup>37</sup>

Now it is true that we get some of that money back - £4.4 billion through a negotiated rebate - and £4.8 billion in money the EU spends in this country on our behalf.<sup>38</sup>

<sup>&</sup>lt;sup>35</sup> Civitas, January 2016, <u>link</u>; Government of Canada, 2016, <u>link</u>. Seven of Canada's free trade deals have come into force since 2009, a further three have been concluded and are awaiting ratification.

<sup>&</sup>lt;sup>36</sup> WTO, October 2015, link.

<sup>&</sup>lt;sup>37</sup> ONS, October 2015, <u>link</u>.

<sup>&</sup>lt;sup>38</sup> ONS, October 2015, link.

But it is also vital to note that the amount we give to the EU is due to go up - and up - and up.

From £19.1 billion this year to £20.6 billion in 2020-21. Since 1975, we have already sent the staggering sum of over half a trillion pounds to Brussels. If we vote to stay we will send about another £200 billion to Brussels over the next decade.<sup>39</sup>

It is also important to recognise that our rebate is not a permanent and unalterable feature of our membership anchored in the treaties. It's a negotiated settlement - which has had to be re-negotiated before - and which could be eroded, whittled away or rendered less and less significant in future negotiations.<sup>40</sup> One of the reasons we have the rebate is fear Britain might leave. Once we've voted to stay then it will be open season on that sum.

I also acknowledge that some of the money we send over we get back - whether in support for farmers or scientists - although we don't control exactly where it goes. And we don't know how efficiently that money is allocated to those who really need it because of the opaque nature of the EU's bureaucracy.

Indeed there's a lot of evidence the money sticks to bureaucratic fingers rather than going to the frontline.

The physicist Andre Geim, the genius who won the Nobel prize for his work on graphene, said of the EU's science funding system, 'I can offer no nice words for the EU framework programmes which ... can be praised only by Europhobes for discrediting the whole idea of an effectively working Europe.'41

In any case, no-one arguing that we should Vote Leave wants us to reduce the amount we give to our farmers or our scientists. Indeed some of us believe we should give more. The only British citizens we want to deprive of European funding are our MEPs. We'd like to liberate them to flourish in the private sector.

Yet, even if we acknowledge the rebate and the sums already spent here, £10.6 billion of taxpayers money is given to the EU in a year.<sup>42</sup>

That's twice the UK's science budget and twice Scotland's school budget. 43

<sup>&</sup>lt;sup>39</sup> HM Treasury, December 2015, <u>link</u>.

<sup>&</sup>lt;sup>40</sup> Council Decision 2014/335/EU, art. 4, link.

<sup>&</sup>lt;sup>41</sup> Times Education Supplement, 16 July 2015, link.

<sup>&</sup>lt;sup>42</sup> ONS. March 2016. link.

<sup>&</sup>lt;sup>43</sup> BIS, 2014, link; Scottish Government, 2016, link.

Just think what we could do with this money.

It could be invested in new infrastructure, apprenticeships and science.

It could be deployed in our NHS, schools and social care.

It could pay for tax cuts, enterprise allowances and trade missions.

It could pay for fourteen Astute Class Submarines.44

It could enhance this nation's security, productivity, social solidarity and competitiveness.

And the economic benefits of Leaving wouldn't end there.

We would also be able to reduce the regulatory costs imposed on British business.

The cost of EU regulation on British companies has been estimated by the independent think tank Open Europe at about £600 million every week.<sup>45</sup>

Now some of those costs are incurred in a good cause.

But many EU regulations - such as the Clinical Trials Directive, which has slowed down and made more expensive the testing of new cancer drugs, or absurd rules such as minimum container sizes for the sale of olive oil, are clearly not wise, light-touch and proportionate interventions in the market.<sup>46</sup>

They also show how the so-called Single Market is, as Jacques Delors promised, a vehicle for expanding the power of the EU, not a tool for expanding free trade.<sup>47</sup>

If we leave the EU, we can, progressively, reduce the burden of EU regulation and help generate new jobs and industries. We can also insulate ourselves from new EU rules that other nations are planning which are designed to hold back innovation.<sup>48</sup>

<sup>46</sup> Regulation 2011/1333/EU, link; Directive 2001/20/EC, link; for the impact of the Directive on cancer research, see Hearn & Sullivan, 2007, link.

<sup>&</sup>lt;sup>44</sup> The average cost of the first six submarines in the *Astute* class was £731 million per boat (National Audit Office, 2011, link).

<sup>&</sup>lt;sup>45</sup> Open Europe, March 2015, <u>link</u>.

<sup>&</sup>lt;sup>47</sup> 'We're not here just to make a Single Market, that doesn't interest me, but to make a political union' (Jacques Delors).

<sup>&</sup>lt;sup>48</sup> Deloitte has forecast that the General Data Protection Regulation, passed in April 2016, could cost up to 2.8 million jobs in the EU (Deloitte, 2014, link). Proposed changes to EU regulation of medical devices have been condemned by the Medical Research Council and other research organisations (Wellcome Trust, 13 October 2015, link). The European Commission has also proposed member states be given the power to block the sale of GM crops lawfully cultivated in other member states, albeit this has been held up in the European Parliament (European Commission, 22 April 2015, link).

It is striking that EU institutions have already repeatedly tried - and will of course continue to attempt - to fetter the tech companies that are changing the world economy.

As Harvard's Professor John Gillingham has pointed out, the development of fifth generation (5G) telecoms technology and the arrival of the "internet of things" promise massive productivity gains. But the EU has tried to stand in the way of the companies driving this change.

Professor Gillingham argues that the EU's stance is 'guerrilla warfare' which is 'futile as well as self-defeating. It can only accelerate the rate of European decline.'49

And the figures back him up.

The EU and its members are projected to grow more slowly than other advanced economies in the years ahead. Eurozone members are projected to grow at 1.5% while the US is projected to grow at 2.4%, China at 6.5%, New Zealand at 2.0%, Australia at 2.5% and India at 7.5%.<sup>50</sup>

But it's not just freedom from EU regulation that leaving would liberate us to enjoy.

#### WE WILL TAKE BACK CONTROL OF IMMIGRATION

We could also benefit economically from control of immigration.

At the moment any EU citizen can come to the UK to settle, work, claim benefits and use the NHS.<sup>51</sup> We have no proper control over whether that individual's presence here is economically beneficial, conducive to the public good or in our national interest. We cannot effectively screen new arrivals for qualifications, extremist connections or past criminality. We have given away control over how we implement the vital 1951 UN Convention on asylum to the European court. We cannot even deport convicted murderers.<sup>52</sup>

Further, there are five more countries - Albania, Macedonia, Montenegro, Serbia and Turkey - in the queue to join the EU - and the European Commission, as we have just experienced ourselves during the recent negotiation process, regards 'free movement' as an inviolable principle of EU membership.

<sup>&</sup>lt;sup>49</sup> J. Gillingham, *The EU: An Obituary*, (London, 2016), pp. 247-248.

<sup>&</sup>lt;sup>50</sup> IMF, April 2016, <u>link</u>.

<sup>&</sup>lt;sup>51</sup> TFEU, art. 20(2)(a), <u>link</u>.

<sup>&</sup>lt;sup>52</sup> In 2007, Mr Justice Collins ruled that it was unlawful under EU law for the UK to remove convicted murdered Learco Chindamo (*Guardian*, 31 October 2007, link).

Yesterday's report from the Treasury is an official admission from the In campaign that if we vote to stay in the EU then immigration will continue to increase by hundreds of thousands year on year. Over 250,000 people came to Britain from Europe last year. As long as we are in the EU we cannot control our borders and cannot develop an immigration policy which is both truly humane and in our long term economic interests.

It is bad enough that we have to maintain an open door to EU nationals - from the shores of Sicily to the borders of the Ukraine - it's also the case that as the price of EU membership, we have to impose stricter limitations on individuals from other nations whom we might actively want to welcome.

Whether it's family members from Commonwealth countries, the top doctors and scientists who would enhance the operation of the NHS or the technicians and innovators who could power growth, we have to put them at the back of the queue behind any one who's granted citizenship by any other EU country.<sup>53</sup>

I think we would benefit as a country if we had a more effective and humane immigration policy, allowing us to take the people who would benefit us economically, offering refuge to those genuinely in need, and saying no to others.

And my ambition is not a Utopian ideal - it's an Australian reality.

Instead of a European open-door migration policy we could - if a future Government wanted it - have an Australian points-based migration policy. We could emulate that country's admirable record of taking in genuine refugees, giving a welcome to hardworking new citizens and building a successful multi-racial society without giving into people-smugglers, illegal migration or subversion of our borders.

So leaving could mean control over new trade deals, control over how we can help developing nations, control over economic rules, control over how billions currently spent by others could be spent, control over our borders, control over who uses the NHS and control over who can make their home here.

### **BETTER FOR EUROPE**

Leaving would also bring another significant - and under-appreciated - benefit. It would lead to the reform of the European Union.

<sup>&</sup>lt;sup>53</sup> EU law provides that EU citizens have an automatic right to enter the UK on the production of a passport. However, non-EU citizens are subject to immigration control and require leave to enter the UK (Immigration Act 1971, s. 3, link).

At different points In campaigners like to argue either that Brexit would lead to EU nations using their massive muscle to punish us, or that Brexit would lead to contagion and the collapse of Europe - just as Yugoslavia and the Soviet Union collapsed following secession from those unions.

Manifestly both cannot be true. An EU without the UK cannot simultaneously be a super-charged leviathan bent on revenge and a crumbling Tower of Babel riven by conflict.

But both points have a grain of truth. There will be anger amongst some in European elites. Not because the UK is destined for a bleak, impoverished future on the outside. No, quite the opposite.

What will enrage, and disorientate, EU elites is the UK's success outside the Union. Regaining control over our laws, taxes and borders and forging new trade deals while also shedding unnecessary regulation will enhance our competitive advantage over other EU nations. Our superior growth rate, and better growth prospects, will only strengthen. Our attractiveness to inward investors and our influence on the world stage will only grow.

But while this might provoke both angst and even resentment among EU elites, the UK's success will send a very different message to the EU's peoples. They will see that a different Europe is possible. It is possible to regain democratic control of your own country and currency, to trade and co-operate with other EU nations without surrendering fundamental sovereignty to a remote and unelected bureaucracy. And, by following that path, your people are richer, your influence for good greater, your future brighter.

So - yes there will be "contagion" if Britain leaves the EU. But what will be catching is democracy. There will be a new demand for more effective institutions to enable the more flexible kind of international cooperation we will need as technological and economic forces transform the world.<sup>54</sup>

We know - from repeated referenda on the continent and in Ireland - that the peoples of the EU are profoundly unhappy with the European project. We also know that the framers of that project - Monnet and Schumann - hoped to advance integration by getting round democracy and never submitting their full vision to the verdict of voters. That approach has characterised the behaviour of EU leaders ever since. But that

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<sup>&</sup>lt;sup>54</sup> See, for example, the work of physicist Dirk Helbing on new institutions: <a href="http://futurict.inn.ac">http://futurict.inn.ac</a>.

approach could not, and will not, survive the assertion of deep democratic principle that would be the British people voting to leave.

Our vote to Leave will liberate and strengthen those voices across the EU calling for a different future - those demanding the devolution of powers back from Brussels and desperate for a progressive alternative.

For Greeks who have had to endure dreadful austerity measures, in order to secure bailouts from Brussels, which then go to pay off bankers demanding their due, a different Europe will be a liberation.

For Spanish families whose children have had to endure years of joblessness and for whom a home and children of their own is a desperately distant prospect, a different Europe will be a liberation.

For Portuguese citizens who have had to endure cuts to health, welfare and public services as the price of EU policies, a different Europe will be a liberation.

For Italians whose elected Government was dismissed by Brussels fiat, for Danes whose opt-out from the Maastricht Treaty has been repeatedly overridden by the European Court, for Poles whose hard-won independence has been eroded by the European Commission, a different Europe will be a liberation.

For Britain, voting to leave will be a galvanising, liberating, empowering moment of patriotic renewal.

We will have rejected the depressing and pessimistic vision advanced by In campaigners that Britain is too small and weak and the British people too hapless and pathetic to manage their own affairs and choose their own future.

But for Europe, Britain voting to leave will be the beginning of something potentially even more exciting - the democratic liberation of a whole Continent.

If we vote to leave we will have - in the words of a former British Prime Minister - saved our country by our exertions and Europe by our example.

We will have confirmed that we believe our best days lie ahead, that we believe our children can build a better future, that this country's instincts and institutions, its people and its principles, are capable not just of making our society freer, fairer and richer but also once more of setting an inspirational example to the world. It is a noble ambition and one I hope this country will unite behind in the weeks to come.

# **ENDS**