



The European Union
Brexit or Bremain? Leave or Remain?

Referendum June 2016
A Series of Debate Essays

By Charles Bunker

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Norman and Saxon (A.D. 1000)

The Saxon is not like us Normans.
His manners are not so polite.
But he never means anything serious
Till he talks about justice and right.
When he stands like an ox in the furrow--
With his sullen set eyes on your own,
And grumbles, 'this isn't fair dealing,'
My son, leave the Saxon alone.
R. Kipling - 1911

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Conclusions

When you consider its founding principles, the EU should be working for the benefit of the whole of the people of Europe. Most people want the EU to work. And yet, it has become an institution which has evolved from breaking down barriers to creating uniform rules; a place where a few elite technocrats devise and run an agenda, in secret and with obfuscation, which appears to be for the betterment and longevity of the institution and not the people it serves. As this series of essays shows, on many occasions the EU has ignored the most obvious dangers attaching to its policies and failed to put in place the most basic safeguarding strategies (e.g. Euro – single currency and the free movement of labour etc.) and when these flaws are highlighted, it has been less than efficient in sorting them out (e.g. refugee crises).

In summary

- The reasons for joining the EU in 1973 with the objective of ensuring that there are no more wars in Europe, and bringing democracy to the continent, no longer apply. In the main, it is a job done.
- The UK has a long history of ceding sovereignty (United Nations, NATO, World Trade Organisation) when it considers it to be in its best interest. Accordingly, surrendering sovereignty is no longer a matter of principle. It is simply a matter of whether the EU is an institution to which the UK still wishes to cede sovereignty.
- There is a fundamental, and harmful, democratic deficit at the heart of the EU. It is an oligarchy and not a democracy. It is ruling for the few and not the many. The people of the UK can only be free by voting to Leave.
- The EU has become a regulations industry and in the process it has become permanent threat to liberty as decisions are taken which unnecessarily restrict personal freedoms, i.e. the ability of its citizens to buy herbal remedies or powerful vacuum cleaners
- Market harmonisation, as brought about by the Single Market project, has created a masterclass in unintended consequences. The EU Commission, in its efforts to regulate the large, has ridden roughshod over a huge number of smaller businesses and concerns with immense damage to the EU economy as a whole.
- The EU needs fundamental reform if the UK is to remain in membership; not least of which are cultural and democratic reforms to make it more caring of, and accountable to, its 504 million population.
- Politicians from all political parties have been calling for EU reforms for over 20 years. David Cameron's re-negotiation asked for very little and he got even less. This proves that the EU is impervious to reform. Accordingly, the UK has to accept that the EU cannot be reformed from within.
- Sadly, there is no point in the UK being "at the EU table." It is now clear that the UK has little or no influence in the EU. In these circumstances the obvious thing to do is vote Leave.
- It is impossible for a country to plan its future public service and infrastructure needs if it cannot estimate its likely population. With 504 million people having the right to live and work in the UK it is no longer possible for it to forecast accurately its demography and plan for public

services, as the last 10 years have shown. This means that, if the UK remains in the EU, it is reasonable to assume that public services will continue to leap from crisis to crisis.

- The biggest social and economic threat to the UK comes from uncontrolled mass immigration from the EU. At present the UK's public services are under immense strain directly caused by unplanned immigration. The UK will only be able to control immigration if it regains control of its borders. It can only regain control of its borders if it leaves the EU.
- The UK's immigration problems will be substantially aggravated if Turkey is admitted into membership of the EU. Plans for this to happen are being accelerated. This threat can only be removed by voting to Leave the EU.
- Remaining with, or leaving, the EU both create uncertainty. The Remain campaign cannot tell you what will happen within the EU as much as the Leave campaign can tell you what will happen outside. Some people have described these uncertainties as risks. The only example we have of a country leaving the EU was Iceland which, with a population of 56,000 people, might not be totally apposite. However, we do know that it did not go into economic meltdown and was not frozen out of trading with the EU.
- To date, statistics and forecasts produced by both the Remain and Leave campaigns have been selective and in very many cases fundamentally flawed. Both campaigns quote from different reports on the likely effect on the UK economy of leaving or staying. In the most part, these reports reflect the makeup, and therefore the agenda, of the institutions they represent. Accordingly, they have to be treated with distrust for the purposes of making a decision.
- The financial markets dislike uncertainty, particularly in the short term. The EU treaty provides that the EU has to reach agreement with the UK as to its future relationship within two years of its vote to Leave. This is a relatively short period so it is reasonable to expect that the financial markets will quickly settle down. It is well within the power of the UK government and the Bank of England to manage any market shocks as a result of a Leave vote. The Office of Budget Responsibility, the independent government watchdog, has indicated that leaving the EU is unlikely to have a major impact on the UK economy for five years. Accordingly, the threat of market shock does not provide a good enough reason to vote Remain should there be compelling evidence to vote Leave.
- It is likely that wages will increase should the UK decided to leave the EU but, within reason, this is a good thing, provided it is linked to an increase in productivity.
- It is impossible to tell whether there will be a flight of capital from the UK if it left the EU. We do know that Norway's sovereign wealth fund, one of the largest in the world, has indicated that it will continue to invest in the UK irrespective of the outcome of the referendum result. We also know that, since the Referendum debate was properly launched with a polling date, the market for UK gilts has not been effected by the threat of the UK deciding to leave the EU. This suggests that the international credit market is unconcerned about the UK voting to leave.
- It might be that the £GB falls in value against a basket of other currencies. Whilst this is domestically inflationary, the UK is in a deflationary period which means it can easily be managed. Further, it would make UK goods and services cheaper abroad, easing the UK's balance of payments deficit.

- There is absolutely no way of telling whether interest rates will rise or fall as a result of the UK leaving the EU. It is pure speculation and scaremongering to say that monthly mortgage repayments will cost more.
- From an examination of the balance of trade between the UK and the EU, it makes no sense for the EU to be imposing tariffs on the UK should it vote to Leave. Further, to do so would be in breach of its own treaty. Even if the EU did impose tariffs, and the UK did not retaliate by imposing tariffs on EU imports, the extra cost, calculated at the WTO average tariff rates, is well affordable within the savings of the EU membership fee.
- It is my assessment that, with the UK being the world's fifth largest economy and with an extra £7.1bn to spend internally each year as a result of EU membership savings, the UK is well-positioned to manage the uncertainties should it vote to Leave the EU.
- The Common Agricultural Policy has distorted prices, been very costly and over bureaucratic. It has been the cause of food being dumped immorally on poorer nations. It is also a mechanism of considerable fraud. It has been a sore to the UK for over 20 years as it has been a mechanism to subsidies below scale inefficient farming throughout the EU. It provides a very good reason to vote Leave.
- The Common Fisheries policy has been fairly ineffective and inefficient. Its current rules mean that around 13% of the fish caught in each catch are thrown back into the sea dead. This is a criminal waste of food. The UK fisheries industry is campaigning for the UK to leave the EU and, in this regard, their opinion should be respected.
- Whether they like it or not, Germany rules the EU. As its wealthiest economy, its domestic politics influences all major decisions. Historically, Germany has been culturally unsuitable to lead on people issues, as they have been proven to lack empathy with their fellow man. Once again, Germany is at the heart of the EU, leading the decision making process and, as the Greek debt crisis and the refugee crisis demonstrates, the German culture has not changed. It is inappropriate that they lead on issues like this, but they are now economically so powerful it is almost impossible to stop them.
- Germany has failed to support the necessary intra Eurozone capital payments strategy needed to make the EU single currency policy work. From the very outset of the Euro project, these capital transfer payments from richer to poorer nations were an obvious requirement if the Euro was not to cause the problems which countries like Greece now face. Without a change in fiscal policy in the Eurozone, then the EU will have poor rates of economic growth. This means the UK has to look to the rest of the world for its economic growth.
- The EU is now the originator of over 60% of the laws passed in the UK. These laws are being made by people the UK did not elect and cannot reject. They are not being created to solve a problem. Instead of making the single market work by mutual recognition of safe products, the EU Commission has become an industry in setting common standards and regulation. These rules favour the big firms over the small and add to the costs of doing business. As a result of its directive led approach the EU Commission has become the dead-handle of economic growth as it makes the EU less competitive globally and much harder for new jobs to be created. For this reason, the EU economy will continue to perform below par for a very long time. This means that the UK has to look outside of the EU for its economic growth.

- The UK is not free to negotiate its own trade deals. It is no longer at the World Trade Organisation negotiating table. Instead, it is being represented by the EU Commission who have to take into account the views and needs of 27 other nations. As the world's fifth largest economy and with jobs for 64.8 million people to protect, it is simply wrong that the UK should rely on the EU Commission to represent it. With a stagnant EU economy, the UK has to look elsewhere for its growth in trade and it will only be able to negotiate its own bi-lateral trade agreements, in support of this growth, with other nations if it votes to Leave the EU.
- With 12½ countries (East Germany being the half country) coming from the Eastern Bloc and used to state controlled economies, and with most of Europe having laws based upon the Roman Law, and then the Napoleonic Code, it is unsurprising how culturally suited most EU countries are to state-led directives. This is an anathema to the British culture, whose laws have been organic in nature and less prescriptive in practice. This difference in legislative practice will continue to create huge problems for UK within the EU.
- The draft Transatlantic Trade and Investment Partnership ('TTIP'), and in particular the Investor-State Dispute Settlements ('ISDS') arrangements, which are being negotiated in secret between the EU and the USA, are a danger to the UK's mixed economy and the NHS in particular. Since the UK does not have the ability to veto this agreement, then it provides a very good reason to vote Leave.
- The UK is being told by its security services that it will be safer if it remains an EU member. Most of the UK's security sharing agreement with EU countries are separate bi-lateral agreements and, in the most part, have nothing to do with the EU. The UK has one of the best security services in the world. Accordingly, it is highly unlikely that the security services of the UK's allies, including countries of the EU, will stop cooperating with it. Common sense suggests that one of the best protections the UK has against international terrorism and organised crime comes from the proper control of its borders. These borders can only be controlled if the UK leaves the EU. Security provides a good reason to vote Leave.
- The inappropriate use by some EU countries of the European Arrest Warrant provides a good reason to vote Leave.
- Russia has sadly, once again, become a risk nation. The UK is a member of the UN security council. It is a nuclear missile power member of NATO. This, plus continued investment in its military, is the UK's best defence against Russian aggression.
- Over 40% of countries in the EU have an anti-Russian sentiment, having been occupied or controlled by them for 45 years. This is not a good situation. For the sake of both Russia and the West, the clock with Russia has to be reset and the relationship normalised. There is an argument that the UK would be in a better position to understand and make friends with Russia outside the EU.
- In the absence of a ruling from the European Court of Justice that the UK can unilaterally stop a Federal Army of Europe from being used, then it provides a risk that it could be used without the UK's consent. It is difficult to judge but, given the UK's relationship with NATO, it is probably wiser to decide that, being forced to be part of the Federal Army of the EU, gives a reason to vote Leave.

- Whilst it is possible that Scotland might decide to leave the UK, should the majority of people vote to leave the EU, the facts have changed adversely against the Scottish Independence movement, since the last referendum on this subject. The risks arising from the threat that Scotland will vote to Leave the UK should be given little weighting in the referendum voting decision.
- The EU is moving inexorably towards a federalist state. In the process, it has created a two-speed Europe to cater for those who do not want to move in that direction. Those in the Eurozone and Schengen Area, who have decided to be at its heart, and those, like the UK, who have decided that they do not want to be part of an ever closer political union. It is now evident that those at the heart of Europe now have more political power in the EU than those on the periphery. As is well-known, you cannot ride two horses at once for very long. At some stage you have to choose to ride one or fall off both. Perhaps it might be better to divorce and stay friends than live in an unhappy marriage.

As a founding member of the Partism Foundation, I believe strongly that nations operate more efficiently, effectively and fairly when in an active, caring partnership; where two or more parties co-operate together to share a common task, to achieve their shared goals and to advance their mutual interests. It really saddens me to conclude that the EU is no longer an institution with which the UK should be in partnership. I will be voting Leave on 23rd June 2016 for, as President Franklin D. Roosevelt said at his first inaugural address “the only thing we have to fear is...fear itself.”

The arguments and detailed reasoning are set out in the following series of essays. These include a number of personal anecdotes and experiences as these have undoubtedly influenced my thinking.

“Europe’s nations should be guided towards a superstate without the people understanding what is happening. This can be achieved by successive steps each disguised as having an economic purpose but will eventually and irreversible lead to federation.”

Jean Monnet
Known as ‘the Father’ of the European Union

Introduction – Is the job done?

I wonder how many people involved in the current debate on whether the UK should Remain in or Leave the European Union ('EU') remember where they were on Thursday, 13 July 1972. It was the day the House of Commons voted by a small margin, 301 votes in favour to 248 against, to join the Common Market. So passionate was I about joining and knowing it was going to be an historic day, I just had to be there. So I stood with hundreds of others in Parliament Square late into the evening as the votes were cast. Later on, after hearing the news, I was outside No. 10 Downing Street as Prime Minister Edward Heath's car returned to welcome him back after his victory. We were in the Common Market, our trading future looked bright and I was thrilled!

In the early part of the 1990s, I was chairman of the Board of Governors of the European Business School based in Regent's Park. It is now part of Regent's University, the UK's largest private university. Here we taught business and modern languages. It was a privilege to be involved, as this institution reflected one of my philosophies: countries which trade together will be at peace together, and to be able to trade together we need to be able to speak each other's languages.

This philosophy of trade and languages as an instrument of peace was no doubt learned on my father's knee. It was his generation who saw their fathers return distressed from World War I. They then fought on the battlefields of Europe in World War II. They were determined that nothing like it should happen again. It was a generation who came back from the war and spoke nothing of their experiences with their sons and daughters. It was not until very much later in their lives, when appreciating that they were mortal, did they start to talk of those days. At lunches, I sat next to men who had landed on the beaches of Normandy on D Day, fought on the hills of Monte Cassino and in the desert at El Alamein as they told their stories to their grandchildren, determined that they should pass on the true horrors of war so that they never be forgotten.

If there is one thing my generation owes to my father's generation, it is to make sure that the truly dreadful European wars of the 20th century are not repeated in the 21st century. Therefore, my default position, and one I have held for nearly 40 years, is that the UK needs to be part of the European Union for our safety and the safety of the continent.

It was with the security of the continent of Europe in mind that I understood, and supported, those UK politicians who, acting as statesmen and working for this higher ideal, sought the enlargement of Europe and made the tough decisions. For example, opening up the UK's fishing waters knowing that, on Spain's accession to the European Economic Community in 1986, it was going to result in the sacrifice of tens of thousands of jobs in the UK fishing fleet. Today, we forget that from 1939 through to 1975, Spain had been ruled by a dictator. It was a country whose new democracy had, only five years before joining the EEC, been challenged by a military coup d'état. However, thanks to the intervention of King Juan Carlos who, in his role of constitutional monarch, denounced the coup, demanded for the rule of law to be upheld and called for the democratically elected government to continue in place. The result was that the coup failed. The loss of a very large number of jobs in the UK fishing industry were thought, by those in the UK who had to make these statesmen-like decisions, to be a small price to pay to help keep Spain a democracy.

I therefore accept the argument that the European Union has been a force for good in two respects. Firstly, the European Coal and Steel Community (the forerunner of the Common Market) made war materially impossible in Europe. Secondly, it encouraged countries of wider Europe to move away from dictatorships and totalitarianism and to adopt democratic constitutions with one of the prizes

being membership of the EU. In fact, from the very outset, the UK has recognised how important democracy is to the safety of Europe and how the EU could play its part in making this happen through supporting a policy of ever wider enlargement. I therefore agree with General Sir Michael Jackson, former Chief of the General Staff who, when arguing that we should remain in the EU, said: “preventing another European war has been a fundamental political strategic success of the EU.”

The European Convention on Human Rights is another very strong reason to have supported the enlargement of the EU, as all member states are expected to ratify the convention immediately on joining. This means that, incorporated in to the law of each EU country, are the fundamental rights which we in the UK take for granted: the prohibition of torture or slavery, a right to a fair trial, a right to equality and a right to a family life, to name but a few.

On the EU’s creation, Germany recognised that it would need to be less than a dominant partner if its Institutions were to work. From the outset, they accepted that, in this new political body, some weighting would have to be applied to give comfort and succour to smaller countries so that their view point was heard. It was essential that the EU was a truly inclusive society. They also recognised that they would be one of the main contributors. This was the price Germany was prepared to pay for its rehabilitation into European society after causing two world wars.

In 1972, the UK’s reasons for entering the EU were very different from those of Germany. Yes, there was the attraction of being a member of a very large free trade area, but it was also to have a voice at the table designed to stop all wars and enshrine human rights throughout the continent. On these ambitions, the UK was prepared to make sacrifices too. Just as Germany had done, it agreed to take a significantly lesser weighting in the decision making process than it might have fairly demanded. It also agreed to pay huge and uneconomic amounts of money as its membership fee.

Today, the continent of Europe comprises democratically free countries which, in the main, respect human rights. When considering the UK’s original ambitions, it is a job which has been reasonably well done. To a large extent it is mission achieved.

John Maynard Keynes, the economist, said: “when the facts change, I change my mind.” Over the last 34 years the facts have changed. The changes have been slow and incremental. The question before us is: do the historic reasons for joining the EU still provide the main justification to stay, or have the facts changed so much that, with the primary job done, it is now appropriate for there to be a change of mind? Is it time for the UK to decide to leave the EU or, does it provide such significant benefits to the UK economy and its people that is imperative that the UK remains a member?

The European Union and democracy.

The European Union is the most complicated political organisation in the world, as you will appreciate if you can struggle through this section. It is important to understand the EU's structure so as to fully appreciate the Remain or Leave debate, so please bear with me.

In the United Kingdom, it is parliament which is the senior body. It is from parliament that a government is chosen. It is the government which sets policy and controls the administration (civil servants). The government is always accountable to parliament and parliament, through its individual members of parliament, is accountable to the people. In the European Union, it is entirely the other way around.

In the EU, the primary body is the European Commission. Everything to do with the running of the EU emanates from this body, including all EU laws, and how its money is raised and spent. The second body is the Council of the European Union (also known as the Council of Ministers or just the Council). This is the advisory and decision-making body of the EU. After this comes the European Council which comprises the heads of state or government of every EU country but it holds no legislative or executive powers. Only after that, and a long way behind, is the European Parliament whose members are elected but whose powers are limited.

In addition, the EU has the Court of Justice of the European Union (known as the European Court of Justice - 'ECJ'), the European Central Bank, and the Court of Auditors.

It is very important to note that these institutions of the EU are different and entirely separate from the Council of Europe which was founded in 1949 and comprises 47 country members covering 820 million citizens. The best-known body of the Council of Europe is the European Court of Human Rights which enforces the European Convention on Human Rights ('ECHR'). The referendum is not a vote on whether to leave or remain with the Council of Europe and hence the ECHR. It is a vote to stay or leave the EU. Irrespective of the referendum decision, the UK will remain a member of the Council of Europe and the ECHR will remain applicable in the UK and comprise the supreme law.

The European Commission

The European Commission is the executive arm of the Union. Some describe it as 'the government', except everyone is appointed and no-one is elected. This body is responsible for drafting all the laws of the European Union and has a near monopoly on proposing all new legislation and the negotiation of all treaties. It also deals with the day-to-day running of the Union and has the duty of upholding its laws and treaties. The Commission is composed of one appointee by each member state, currently twenty-eight. According to the rules, a commissioner is not there to represent their country's interest and immediately on their appointment they have to swear an oath of allegiance to the EU. However, this does not hold good in practice with most commissioners only obeying this independence rule in extremis, in most cases they act as lobbyists for the views of their country. Behind each Commissioner is a bureaucracy, again made up of employees from each of the EU member states. The Commission is led by a President who is nominated in practice by the European Council and approved by Parliament. The current president is Jean-Claude Juncker. Each commissioner's portfolios are assigned by the President. The European Parliament then interviews and casts its vote upon the appointment of the Commissioners. The Commission is based in Brussels. It is difficult to know exactly how many people it employs but a reasoned guess is between 35,000 and 40,000 people.

The last two EU commissioners appointed by the UK were Catherine Ashton, who served from 2010 to 2014 and became the EU's High Representative (similar to Foreign Secretary) and now Jonathan Hill. Neither of these two have ever stood for election. They are apparatchiks of their own political parties. These people have equal influence in the EU, and many would argue more than the UK Prime Minister, and yet, less than one in one thousand people can tell you who they are and what they do.

The Council of the European Union

The Council of the European Union (also known as 'the Council of Ministers' or just 'the Council') holds the legislative, and some limited executive, powers. It ensures coordination of the broad economic and social policy and leads on the EU foreign and security policy. It is the main decision-making body of the Union, sharing with the European Parliament legislative and budgetary power. It concludes on all international agreements. The Council of Ministers is composed of twenty-eight national ministries (one per state) but in practice meets in various forms depending upon the topic. For example, if agriculture is being discussed, the Council of Ministers will be composed of each national minister for agriculture. They represent their governments and are accountable to their national political systems. The Council of Ministers is based in Brussels.

The European Council

The European Council comprises the heads of state or government of every EU member state as well as the President of the European Commission. It is described as the highest political body of the European Union albeit that it holds no legislative or executive powers. It provides political direction to the EU and defines its policy agenda. The President of the European Council is the person responsible for chairing and driving forward the work of the EU. The European Council is based in Brussels and its current president is Donald Tusk.

Appointments to the EU Commission, The Council of the European Union and the European Council

Every member state appoints one EU commissioner, one person to sit on the Council of the European Union (The Council of Ministers) and one person to sit on the European Council.

With 28 countries in the EU, it follows that there are 28 commissioners, 28 members of the Council of Ministers and 28 European Council members. Thus the UK, with a population of 64.8 million people, gets one person to sit on each of these three bodies, while Malta with a population of only 430,000, also gets one person, so does Luxembourg with a population of 563,000 and Cyprus with a population of 847,000. This is totally disproportionate.

Voting in the Council of Ministers is complex. There are some issues which require unanimity voting, where everyone has to agree or abstain from voting, for example on taxation, and others where Qualified Majority Voting ('QMV') applies and votes are allocated according to a country's population. The UK has 8% of the EU population and therefore has about 8% of the vote when there is a QMV vote.

A bias in the whole structure can be illustrated by the fact that, when a proposal comes before the Council of Ministers from the Commission, or the High Representative, it only needs 16 out of 28 countries (55%) to vote in favour of a proposal for it to be passed, whereas if the proposal comes from the Council of Ministers themselves then it needs 21 countries (72%) to vote in favour. Why is a higher threshold required in respect of a proposal put forward by those who have a democratic mandate as

compared to those proposals which come from those who are merely appointees? It does not make sense.

Where QMV applies, in addition to the national vote, a proposal in the Council of Ministers needs to be supported by member states representing at least 65% of the total EU population.

To block a proposal under QMV, the blocking minority must include at least four Council members representing more than 35% of the EU population.

About 80% of EU Council of Minister votes are under QMV rules. A recent freedom of information request showed that over the past two decades there had been a definitive vote in the European Council 72 times and that the UK had been outvoted 72 times – i.e. on every occasion.

The European Parliament,

The European Parliament is the only directly elected body in the Union. It shares the legislative and budgetary authority with the Council of Ministers (not to be confused with the *European Council*). The European Parliament has weaker powers than the Council of Ministers and cannot initiate legislation. It does, however, have limited powers over the Commission (veto of the appointment of commissioners) which the Council of Ministers and the European Council do not. Its members are elected every five years by secret ballot in nationally organised elections. The European Parliament chooses from their number a President (its Speaker). The President of the European Parliament is Martin Schulz. The European Parliament is based in Brussels, with plenary sessions in Strasbourg¹, and its General Secretariat in Luxembourg.

Each country is guaranteed a minimum of six seats in the European Parliament but no country can have more than 96 seats. The UK suffers a democratic deficit in the European Parliament as it has 78 MEPs for its 64.8 million population i.e. one MP to represent 830,000 people. Compare this to Malta who gets one MEP to represent 72,000 people, or Luxembourg who gets one MEP to represent 94,000 people or Cyprus who gets one MEP to represent 141,000 people.

It is a fact that on average the three smallest EU countries get 8 times more representation in the European Parliament than the UK.

The EU democratic deficit might best be summarised in the following table:

	Population	Number of members of Council of Ministers / European Council / European Court of Justice	Number of MEPs	MEP per person
UK	64,800,000	1	78	830,769
Malta	430,000	1	6	71,667
Cyprus	563,000	1	6	93,833
Luxembourg	847,000	1	6	141,167

¹ For four days every month the EU parliament moves from Brussels to sit in Strasbourg at a cost to the EU of £114 million per annum. The EU parliament has voted to scrap its plenary session there but it has no sole powers in this matter. France consistent insists that it is in its national interests that the EU parliament remains there and, without their agreement, there can be no change. It demonstrates how national agendas can drive EU policies even if the original reasons for the policy no longer exist. It also shows how impervious the EU is to change.

One of the big hopes from David Cameron's recent renegotiation of the UK's relationship with the EU was that something would be done about the obvious democratic deficit. He came back proudly announcing that he had won a 'Red Card' which would stop unwanted legislation being passed. I have gone to the final EU document issued at the end of his negotiations to find out how this would work. The first thing to note is that under EU Protocol (No 2) on 'the Application of the Principles of Subsidiarity and Proportionality' in the 2008 EU treaty, there are already Red Card proposals. The only change that David Cameron was able to negotiate was an increase in the number of weeks, from 8 weeks to 12 weeks, for the time allowed for 55% of the national parliaments to object to an EU commission proposal. It is simply not feasible to get legislation through the House of Commons and House of Lords in 12 weeks other than in an emergency, let alone co-ordinate an objection with 15 other like-minded countries. Disappointingly, when the small print is examined, these new Red Card arrangements do little more than reinforce the status quo. David Cameron's negotiations highlight two important things. Firstly, and most importantly, by accepting these revised Red Card proposals the UK is tacitly accepting that its parliament is sub-ordinate to the EU. Secondly, it shows how impervious the EU is to any change, however soundly made.

Directives and regulations are developed, and implemented, by the EU Commission through, what are known as, Comitology Committees. These are chaired by an EU Commission official. These committees comprise technical experts, but primarily they are the fodder ground for EU lobbyists and pressure groups which seek to influence the EU's legislative process. There are currently around 15,000 Brussels-based lobbyists (consultants, lawyers, associations, corporations, NGOs etc.), with around another 2,600 special interest groups which have a permanent office in Brussels.

These Comitology Committees, highly influenced by these powerful lobby groups, then do their trade-offs in secret. It is almost impossible for a UK individual to have any input into the work of a Comitology Committee. As an example, it was through the self-interested lobbying of big-pharma of the appropriate Comitology Committees that it is now impossible for a UK citizen to buy many herbal remedies and alternative medicines. The small alternative medicine manufacturers simply did not know that legislation was being developed, with the input of big-pharma, which would deprive their customers of a product which they valued and in the process put them out of business. It was only when the draft directive was published were the risks known and, as is customary with the EU commission, by then it was too late. It is in this slow and insidious way that small businesses, which creates the majority of EU employment, are put out of work by big business which is capable of dealing with the extra red tape.

We then have bizarre situation of the EU paying grants to charities and NGOs (NSPCC, WWF, Green Peace, Oxfam, Friends of the Earth etc.) who then lobby both the Commission and MEP's on matters of interest to the Commission so as to establish that there is public concern on these matters. The EU Commission then uses this 'public concern' to justify implementing an EU directive or regulation to deal with it. I wish I was just being cynical but the whole thing is a corrupt power play of the worst kind.

The Tampon Tax, which comes directly from the EU Directive on VAT, has been an affront to the UK electorate from the moment it was introduced. It has been raised numerous times with the EU Commission who have persistently ignored the UK's plea to zero rate sanitary products; until now, when, because of the EU referendum campaign, the matter is on the public agenda. As a result, the Commission, comprising unelected officials, has now, very belatedly and humiliatingly, given

permission to an elected government to make the changes to the law which its population wanted to make years ago. Surely, the UK should not have to hold a referendum to remove an iniquitous tax which, because it affects 50% of the population at some stage in their lives, is in fundamental breach of Article 14 of the European Convention on Human Rights. This Article prohibits discrimination on the grounds of sex. It is also in breach of the EU Gender Directive 2004 which prohibits both direct and indirect sexual discrimination in the provision of goods and services throughout the EU.

This neatly brings us to the European Court of Justice ('ECJ'). The Treaty of Rome never envisaged that the ECJ would be supreme court of the EU. However, through its subsequent rulings, it has effected a judicial coups d'état and made itself the, de facto, Supreme Court for all EU citizens. It has also acted as a back door way of implementing EU legislation. For example, it was the ECJ which, using the Gender Directive, made the illogical ruling that it was illegal for insurance companies to charge women lower car insurance premiums, albeit that women had considerably less expensive motoring claims than men. They also made it illegal for men to enjoy higher annuity payments than women, for the same amount of capital invested, ignoring the actuarial fact that men have a shorter life expectancy.

The UK sought, and won, an opt out from the 1992 Maastricht Treaty on all EU social directives. When the Working Time Directive was introduced the UK argued that this was social policy and therefore it did not apply to UK businesses. Irrespective of whether the UK should or should not have the Working Time legislation, it is important to note that the ECJ ruled against the UK, declaring that the Working Time Directive did not comprise social policy but comprised health and safety policy and therefore the UK had to comply. This meant that a directive created by the EU Commission in committee rooms in secret, passed by qualified majority voting in the Council of Ministers, and passed by the European Parliament, which the UK government reasonably thought had nothing to do with it, came into UK law through a set of judges so remote from the UK that they would find it hard to find the UK Parliament, let alone its Supreme Court.

Those who argue that "we need to be in the room if we are to influence the outcome" make a sound point. However, independent assessors have concluded that David Cameron was not able to meet any of the four very modest objectives which he set himself at the outset of his EU renegotiations. This means that the UK has to conclude that it has only an illusion of influence in the EU. It is not real, for as David Cameron's negotiations have shown, when he has been in the room on a matter as important as the UK leaving the EU, the outcome has been less than paltry.

We have to conclude that the European Union is not a demos – a democracy. It is an oligarchy where the powerful few rule over the many and, as David Cameron's recent negotiations have shown, these powers are ones which the oligarchs are not prepared to give up.

In further evidence, you have to consider the words of Jean-Claude Juncker who has been President of the European Commission since 2014. In May 2011, speaking at a meeting of the Federalist European Movement, he admitted, "*we decide on something, leave it lying around, wait and see what happens. If no one kicks up a fuss, because most people don't understand what has been decided, we continue step by step until there is no turning back.*" He is also reported as saying: "*Eurozone Monetary Policy should be discussed in secret, in dark debates,*" adding "*when it becomes serious you have to lie.*"

It is when comments are made like this that you realise the UK has been sitting at a stacked card game. Only a fool continues to play his hand when he discovers that, not only does he have no chance of winning, but is almost certain to be a loser on every count.

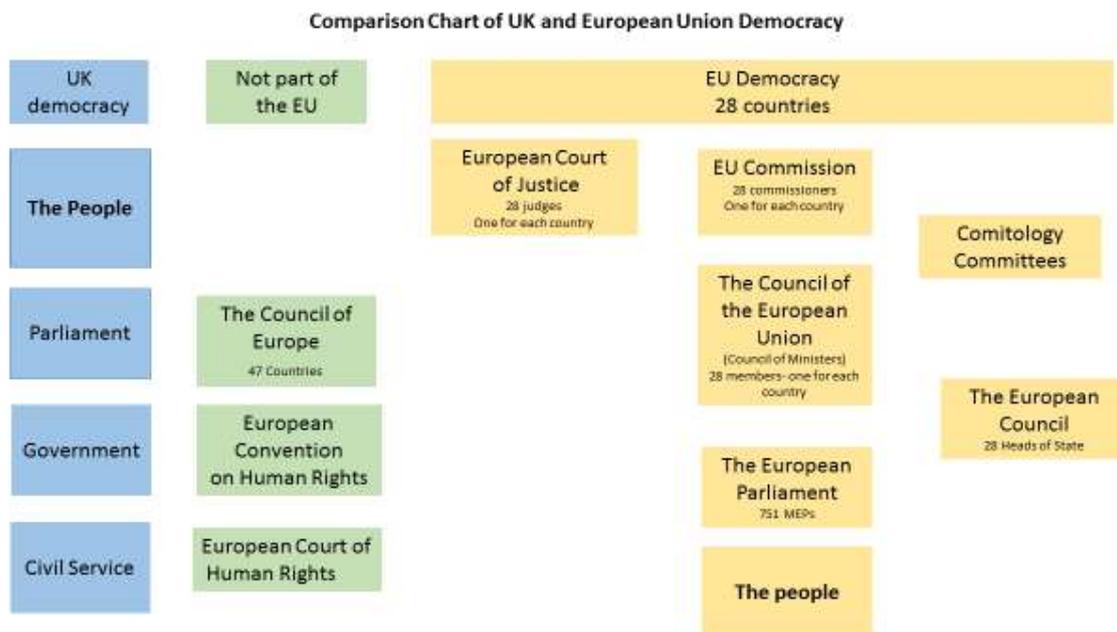
It was Mikhail Gorbachev, former President of the Soviet Union, who said: *“the most puzzling development in politics is the determination of European leaders to recreate the Soviet Union in Europe.”*

At this point let us take a few moments to consider Mohamed Bouazizi. Few will remember his name. He was the Tunisian who, on 17 December 2010, set fire to himself in despair at the rules, regulations and corruption which stopped him from earning a living. His dreadful death started the revolution which became known as the Arab Spring. Basboosa, as he was nicknamed, is a very sad example of what happens when people become disenfranchised from those that rule over them, particularly when those who do the ruling create laws which make it impossible for people to earn a fair and decent living.

In other essays in this series, I will demonstrate how EU economic policies have favoured the rich at the expense of the middle and poorer classes. Some EU countries are now in long term penury as a direct result of EU policies, where out-of-season youth unemployment can reach as high as 60%. This is generating similar feelings of despair and yet, rather than helping these people with appropriate economic policies, the Tsars of the EU continue to rearrange the deckchairs as the whole ship appears to be sinking under a real and present immigration and refugee crisis.

The lack of democracy in the UK coupled with UK’s inability to influence any outcome, prima facie, provide very sound reasons to vote Leave.

The following chart might help explain the EU’s upside down approach to democracy as compared to that of the UK.



The European Union and the question of sovereignty

Sovereignty is the supreme power or authority given to a nation state to govern itself or another state.

In the modern world, every nation cedes power to supranational organisations. The UK has done it with the United Nations and in particular with its signature to the Universal Declaration of Human Rights, and with it the establishment of the International Court of Justice in the Haig. As a signatory to the European Convention on Human Rights ('ECHR') the UK has ceded power to the European Court of Human Rights. It has done this because it believed it to be in the best interests of the citizens of the UK. Interestingly, 65% all UK laws are now influenced by EU directives and regulations.

The question is not the principle of ceding sovereignty, for the UK has a long history of doing so. The question is whether it wants to continue to cede authority to the EU?

As discussed in another essay in this series, the EU is anti-democratic, arrogant and remote. These seem to provide good enough reasons for the UK to decide it no longer wishes to cede sovereignty to this body. However, there are other issues which have to be considered under the question of sovereignty.

At the heart of the EU is the Commission and the Council of Ministers. This is where the vast majority of power is held. Irrespective of what the EU commission says, the members of these bodies are the delegates of their countries and they reflect their political make-up. The UK could have a left-wing government and find it is out of tune with a right-wing EU and vice-versa.

Throughout Europe, there is huge resurgence in right-wing nationalist parties. In the UK there is UKIP which took 27% of the vote in the 2014 General Election. In Germany, we have just seen the right wing Alternative fur Deutschland Party ('AfD') take 24% of the votes in recent state elections. This is an aggressive anti-immigration party in a country where populist, or extreme right-wing parties, have been a taboo since 1945. In France, there has been a huge rise in the popularity of the National Front under the leadership of Marine Le Pen. In Hungary, we have the anti-Semitic Jobbik Party as the third largest party and in Greece there is the new Golden Dawn Party which has been described as both neo-Nazi and fascist.

It is a fact that none of these right-wing parties have won overall power, but each is moving the political landscape in their country. Their admission into government through coalition is now a distinct possibility. The only reason the UK is having this referendum debate now is as a direct result of the increase in the popularity of UKIP.

Should the UK be sitting at a table making laws with hard right nationalists or does the UK have an obligation to be in the EU to make sure that these people do not make bad laws which affect the whole population of all the EU? This question might best be answered by considering "who is my neighbour?"

Those familiar with the parable of the Good Samaritan and the question asked by the lawyer of Jesus "who is my neighbour," will know that it was the man who came to the aid of the man beaten and left for dead who was identified as the neighbour. The power and simplicity of the story suggests that our neighbour is the man in need, but this misses the main message. The deeper question is not who is my neighbour, but what kind of person am I? The parable is actually about our identity, not theirs. What matters first is the kind of person we are.

For this reason, it is impossible for an essay like this to conclude on whether the UK should stay in the EU in order to influence their fellow European citizens or not. It is a question which only you can decide, for the answer lies in what kind of person you are.

What we do know is that UK's influence in the EU is negligible, and it is naive to think otherwise. Could the UK influence the EU better from outside? It is most unlikely, but by no means inconceivable.

European Union, immigration and the free movement of labour

As a matter of principal I believe in a free market and with it the free movement of labour. I like the idea of being free to live and work in Poland, Slovakia, Italy, Spain or any country of the EU. For, as Pope Francis recently said, "it is non-Christian to put up fences, they should be pulled down."

I strongly believe that sensible levels of immigration are good for the UK. Recently, I was fantastically treated by the NHS; a surgeon from Italy, a anaesthetist from India and a nurse from Romania. Each and every one of them was both a credit and joy.

I love the multi-cultural aspects which are to be found throughout the UK today. The fact that schools today are culturally inclusive, making sure they celebrate the religious festivals of their children, is a wonderful thing as it is only through both tolerance and enlightenment will the UK be able to maintain, and hopefully improve, racial and religious harmony. The UK used to export Britishness to its empire. It has recently imported multiculturalism, and it is a much stronger nation as a result. This multiculturalism enables the UK to have a unique perspective which, if properly used, will enable it to add value across the globe in so many different ways in the future.

Unquestionably, the UK should be a haven for genuine refugees. Those outside their country having "a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion" should find safety and a home within the UK's shores. There should be no debate on this matter. The UK should not be the automatic destination of economic migrants.

If David Cameron had stood at Checkpoint Charlie in Berlin, seen where the Iron Curtain ran through that divided that city, looked east and then thought for a moment, he would have known that he had no chance of changing EU policy on the free movement of labour. To those citizens of the EU, who stood on the eastern side of the Iron Curtain and had their freedom of movement restricted, any change was going to be an anathema. They were not going to allow Cameron to put back borders when they had spent decades waiting to break down a wall. He was either historically ignorant, or disingenuous when, at the start of his re-negotiations, he thought he could bring about fundamental changes in this area. Nevertheless, it was what he first promised the British people.

The EU, whilst rightly adopting the fundamental principle of free movement of labour, has lamentably failed to put in place the policies which are needed to support this principle. As a result, the UK is facing an infrastructure strain, as schools and hospitals are stretched to breaking point, which in turn is threatening the social cohesion of the whole country, without any EU mechanism to help deal with it.

Based upon official statistics², in the last 10 years the United Kingdom has had to build the equivalent of three cities the size of Birmingham to deal with its net immigration. It has had to build the equivalent

² It is highly likely that the official statistics for the number of inward migrant are understated as they do not reconcile with the number of new national Insurance numbers issued. The National Insurance statistic suggest that the official inward

of a city the size of Birmingham just to deal with the number of Polish people now living in the UK. In 2015, the UK had net immigration of 330,000 people. This means building an equivalent city the size of Leicester every year. The trouble is that there is not the infrastructure of schools, hospitals, housing, roads and transport to deal with such a large influx of people. The fact that the UK has been able to assimilate so many people with such tolerance is a great credit to its people and is something of which, I believe, the nation should be proud.

When your child cannot get into the school of your choice, which your taxes and those of your forefathers have paid to build, because a child, recently arrived from another European country, has taken their place, then there is natural resentment for it is not fair. This is particularly true when their chosen school is very close to where they live and yet, because of mass immigration, their five-year-old child is offered a place which requires them to make 50 minute journeys each way. One third of Londoners did not get the school of their choice for the academic year starting in September 2016.

The same pressure of public infrastructure can be seen in any hospital. It has recently been estimated that one sixth of all births in the EU in 2015 took place in the UK. In 2014, births by non-UK born mothers³ accounted for 27.0% of all live births (2013 -26.5%). Poland remains the most common country of birth for non-UK born mothers between 2010 and 2014, followed by Pakistan and India. 58.1% of all live births in London were with mothers born outside the UK. This was followed by Slough with 60.8% and Luton with 56.1%.

NHS accident and emergency departments are working at 100% capacity and there are typically waits of many hours just to have a simple blood test. There is not enough housing, making the price unaffordable for the majority of the people. This is thwarting people's life-time ambition of owning their own home. In every area of life there is immediate and growing pressure on infrastructure directly caused by immigration, and the substantial majority of this immigration is from the EU where it cannot be controlled. The UK, with its already excessive borrowings, cannot afford to pay for the additional infrastructure required right now as a result of the huge and uncontrolled waive of EU immigration it is experiencing.

Archbishop Justin Welby, in a recent speech, wisely argued that the EU debate "has got to be about us, but also about what we do in the world." He also spoke of fear and its validity as an emotion. "There is genuine fear [caused by immigration]: "What happens about housing? What happens about jobs? What happens about access to health services? There have to be resources put in place that address those fears," he said.

It is an unassailable fact that, the more pressure you put on doctors' surgeries, schools and the emergency services, through greater use, the more they will suffer.

There have been numerous requests to the European commissioners to use the EU Social Fund to help fund the building of the infrastructure needed in the places where people have moved to live, i.e. the money should follow the people who have come to the UK. The idea has been rejected many times.

migrant statistics are woefully short which means that the immigration problems facing the UK is much bigger than the UK government has admitted. Questions have been asked of the Government, under the Freedom of Information Act, seeking to reconcile the two figures but the government is refusing to answer until after the referendum!

³ Office of National Statistics

Sadly, the EU has to accept that it is simply not feasible for the UK to be open to all 504 million members of the European Union; for all these people to be free to come and live and work in the UK without limitation. If Turkey joins the EU, it will open the UK up to 78 million more people.

English has been the first language taught in all EU schools for over 25 years. It is the language of business, entertainment and tourism. It is one of the major reasons that people choose to come to work in the UK rather than anywhere else in the EU. The other is that with unemployment at 5.1% it is one of the lowest in Europe. Further, with a UK GDP per capita of \$39,826 (Germany \$41,267) people are attracted by the opportunity to get paid work in the UK.

Without EU financial support to pay for the infrastructure needed to deal with mass immigration of the sort the UK has, and will continue to face, then it has no alternative but to take such decisions as will enable it to take control of its borders.

One of the reasons economists, and government, have sought working population growth is that they argue this is necessary for GDP growth. However, this is now old and disproven 16th century agricultural or 19th century industrial revolution economics. It no longer applies in the new digital economy as Google, Facebook, Robotics, 3D printing and technological development in health care show. We are now 40 years into the digital revolution and the effects are becoming very clear. The UK does not need to increase its workforce to increase GDP per person as there are now new technological solutions which make this unnecessary. A recent study going back over 140 years has shown that technology, rather than destroying jobs, creates them; but they are of two kinds, skilled and unskilled. What is needed, if the UK wants to maintain its position as the world's fifth largest economy,⁴ is a skilled and educated workforce.

It seems eminently sensible that the UK controls its borders and (whilst it seriously pains me to say this, do as UKIP suggests) have a points-based immigration system similar to that of Australia, where our doors are open to everyone in the world on the basis of the value they bring, both to the UK's economy and its society. If the UK does not do this, then it will be building long-term economic and social problems as it fails to give people the chances of a lifestyle their parents enjoyed and they have come to expect. For example, owning their own home being one ambition which is now beyond the hope of a teacher, policeman or junior doctor living in the South-East of England.

If the UK is to address the genuine fears of its people, and the avoid the social problems from mass economic migration, then it has to control its borders, and it can only do this by voting to Leave the EU.

The question which is always thrown back at people who propose that the UK should leave the EU is what to do with all EU citizens working in the UK. Likewise, what happens to all UK citizens living and working the rest of the EU –send them back? This is a factious response as to deport people like that would be in breach of Article 19 of the European Convention on Human Rights. It is a simple process; anyone from the EU with a UK national insurance number, is a registered voter, or has proven UK residence at the date the UK leaves the EU will retain the right to live and work in the UK, as will their dependent relatives.

The European Union and a cheap labour economy

⁴ CEBR report

Large scale immigration has, over the last ten years, changed the UK to become predominantly a low labour cost economy. For example, consider the growth in the number of hand car wash facilities resulting in the reduction in the number of new automated car wash ones, or the number of new call centres that have opened with the work repatriated back to the UK from places like India. The worrying lack of increase in productivity per capita over recent years can be attributed directly to the UK's move towards being a low-wage economy.

The trouble is that a low-wage economy cannot support the same level of social services that a high-wage economy can. Certainly, if the UK remains a low-wage economy it will not be able to afford the level of social services which has been one of its hallmarks since 1945.

Interestingly, Lord Rose, former executive chairman of Marks & Spencer, who is leading the Remain campaign, has pointed out that one of the effects of the UK ending its open-door EU immigration policy, will be an increase in wages. He was quoting from a Blackrock Report. Blackrock are one of the UK's largest fund managers. They have a vested interest in the UK remaining a low-wage economy as this enables them to make more money for their investors. It is this group of people who can afford to educate their children privately and pay for private health care which is not an option for those on average earnings.

We also have to remember that Government Tax Credits are a way of directly subsidising companies who should be paying proper living wages to their employees but are not. As a result of tax credits companies are making more money than they should which, if the employer is an international company, is tax-sheltered so that, even on these higher profits, less than the proper amount of Corporation Tax is paid.

Given that it is good for the UK to be a high investment, high wage economy, it seems sensible for the UK to vote to Leave the EU so that it can return to this position.

The European Union, the refugee crises and Turkey

The UK has to accept that it is, in a large part, responsible, along with other countries, for creating the worst mass refugee crisis Europe has faced since 1945.

The destabilisation of the Middle East from the Second Iraq war and the bombing of Libya at the start of the Arab Spring, encouraged the persecuted majority in Syria to rise up against President al-Assad. All this has enabled both ISIS and Al-Assad's regime to become forces for evil in Syria and the surrounding area. It is a huge political and military mess!

As a direct result of this mess, 6.6 million people have been internally displaced within Syria, 2.7 million refugees are living in Turkey and 1.3 million refugees are living in Lebanon. In the 14 months ended 28th February 2016, 988,000 refugees arrived in Greece from Turkey.

Out of this disaster, the UK response of funding the UN refugee camps with £1 billion a year is an appropriate response. If it can afford more, it should pay more. Certainly, its large protected aid budget could be appropriately retargeted away from known corrupt governments toward helping alleviate this problem. Refugees should be looked after as close to their home as possible. Equally importantly, and urgently, the UK should be providing homes for the unaccompanied children living in the refugee camp in Calais.

What makes matters worse is that the EU Commission, disgracefully supported by the British Government, decided to remove life boat patrols from the Mediterranean Sea on the basis that, by

allowing refugees to drown, it will persuade other people, seeking to escape from war and poverty, not to make the journey. This is a morally bankrupt position. The EU and UK are not doing this in my name!

German Chancellor, Angela Merkel's proposal of offering homes to 900,000 refugees in Germany was entirely the wrong one. It was bound to encourage the mass movement of refugees which would be, as has been proven, almost impossible to stop. Further, it was not an act of generosity as has been made out, but one made out of selfishness. Germany has an ageing population, a reducing workforce and it wanted cheap labour to serve its Aryan needs.

The Greeks, one of the poorest countries in Europe, have responded with marvellous generosity to the needs of the refugees arriving on their shores. Nevertheless, we have young children drowning on the seas between Turkey and Lesbos, and babies being born in tents and washed in cold dirty puddle water on the Macedonian border, so desperate is the plight of those on the move.

We now come to the agreement struck between the EU and Turkey to deal with the refugee crisis. A deal brokered by Angela Merkel, Jean-Claude Juncker, President of the EU Commission and Turkish President Erdogan. Three more inappropriate people it is hard to find.

President Erdogan is hugely corrupt. He has built an enormous new palace for himself whilst arresting and imprisoning his political opponents. Under a law which makes it an offence to criticise the President, he imprisons journalists and seizes control of newspapers which criticise him. As a Sunni Muslim he is actively moving Turkey away from being a secular country. This makes him a religious enemy of President al-Assad, an Alawite⁵. This explains, in part, why Erdogan is supporting the Syrian rebels to remove Assad from office. The other part is Turkey's relationship with Russia which I discuss in another essay in this series. Erdogan has actually done very little to fight ISIS to date, instead spending a huge amount of his security efforts on thwarting the Kurdish people's efforts for a breakaway state. Erdogan is not a man the EU Commission should be doing business with, but international politics does not give the freedom to choose your opposite number; you just have to tread very carefully and sup with a long spoon.

The refugee deal done between the EU and Turkey has three major components:

Firstly, the EU will send back to Turkey every refugee who has crossed into Greece illegally and the EU will accept back from Turkey, on a one-to-one basis, Syrian refugees who have applied through legal channels. The term 'Syrians' is defined to include refugees from Afghanistan, Pakistan and possibly Iraq. There are so many things wrong with this that it makes it impossible to believe it was negotiated in the first place. Firstly, it is illegal. The UN High Commission has specifically stated that it contravenes the 1951 UN Refugee Convention. Secondly, it is doing no more than shuffling the cards, adding to human misery. Thirdly it is immoral. Surely, I cannot be the only one reminded by this trade of human cargo of the Birkenau railway sidings where Nazi guards pointed at the passengers and divided them between the gas chamber and the workhouse.

In addition, the EU has agreed to make a payment of €6.0 billion to Turkey, of which €3.3 billion is to be paid immediately. Thirdly, Turkey's 78 million citizens will get the ability to travel to any country of those EU member states who are members of the Schengen Area without the need for a visa. The UK is not in the Schengen Area. Finally, the EU has agreed to fast-track Turkey's membership of the

⁵ Alawite is a branch of Shia Islam

European Union. On its admission to the EU, every citizen of Turkey will get the right to live and work in the UK.

Not only is Turkey in daily breach of the European Convention on Human Rights, but it refuses to recognise the government of Southern Cyprus in Nicosia. Further, it insists on keeping 30,000 Turkish troops in Northern Cyprus which it illegally occupied in 1974. As a result, Cyprus has refused point blank to allow Turkey into EU membership and is unlikely to agree until there has been progress on the reunification of Cyprus. The worrying thing is Chancellor Merkel and President Erdogan are both well aware of the profound problems created by Turkey's occupation of Northern Cyprus, yet they have agreed to fast track Turkey's admission. Once again, it demonstrates the unique power of Germany, for no doubt Angela Merkel has been able to persuade President Erdogan that she has the ability to deal with Southern Cyprus' democratically held objections. One cannot help but wonder how, and be highly suspicious of the tools she expects to use.

Do the people of the UK want to be members of the EU club which contemplates, let alone does, a deal like this? For my part, it goes against what I think is moral behaviour. I think it provides a good reason to vote Leave.

We have to recognise that the admission of Turkey into the EU will also increase the historical EU bias against Russia; something which I address in my essay on the UK, the EU and Russia.

The European Union, its cost to the UK and the economic effect of UK – EU trade.

It is hard to get reliable statistics of the UK's trade with the EU. I quote the best financial information I can find. I have deliberately ignored those quoted by either the Leave or Remain camps unless I have been able to verify them independently.

The net cost to the UK of its membership of the EU changes from year to year, but these are independently verified figures.

	2013	2014	2015
	£bn	£bn	£bn
Gross Amount payable to the EU	18.1	18.8	17.8
Less: Rebate	-3.7	-4.4	-4.9
Net Contribution	14.5	14.4	12.9
Spent by EU in UK	4.0	4.6	-4.4
	10.5	9.8	8.5
Spent by EU with private companies on research grants etc.	n/a	n/a	-1.4
Net Cost to UK of EU membership			7.1

Data provided by House of Commons' Library. 2015 figures are estimated

The fact that it costs the UK to be a member of the EU, and is one of the largest net contributors (behind Germany, France and Italy), provides neither a reason to vote Remain or Leave. The judgement is whether the net cost is value for money given the geo-political and economic ambitions of the UK and the threats it faces.

EU spending totalled €142.5 billion in 2014, or around €300 for every citizen. This spending amounts to around one per cent of the EU's gross national income and represents approximately two per cent of total public spending of EU Member States.

The overall EU budget for 2015 totals €155bn a year of which €9bn (5.8%) is spent just on administration costs. To put this into perspective, the UK spends about £11.7bn a year on administration comprising some 1.6% of total government spending⁶.

The EU is the largest trading economy in the world (\$18.5 trillion) with its GDP surpassing that of the USA's (\$17.3 trillion). Despite this, the EU's share of global GDP has fallen from 30% in 1993 to 24% in 2013. This is because the growth in non-EU economies has outpaced the growth of EU economies, mainly driven by strong growth in the BRIC (Brazil, Russia, India and China) economies.

With a population of 504 million people, Europe is the largest free-trade area outside China and yet its combined economy is one of the worst performing in the world. In 2014, it had a GDP growth of 1.4% (2013 - 0.2%) as compared to the USA 2.6% and the UK 2.5%. Some countries within the EU have had strong growth such as Ireland (4.8%) and Spain (3.1%) whereas Greece declined by 2.3%.

⁶ Source: Institute for Government

The EU is by far the UK's largest trading partner (even after adjusting for the Rotterdam effect). The UK had a trade deficit of £59 billion with the EU in 2014 but a surplus of £24 billion with non-EU countries. Although the UK has historically recorded a trade in goods deficit with the EU, its trade in services with the EU is favourable, running a surplus in each year since 2005, reaching £15.4 billion in 2014.

In 2014, the UK exported £230 billion of goods and services to other EU member states. This is equivalent to 44.8% of total UK exports. The share of UK exports to the EU fell from 55% in 2002 to 45% in 2014. To put this into context, the UK's exports to the US were £88.0 billion, and exports to China were £18.7 billion, in 2014.

Only 6% of UK firms export goods and services to the UK.

Goods and services imported by the UK from the EU were worth £289 billion in 2014. The share of UK imports from the EU fell from 58% of UK imports in 2002 to 53% in 2014.

The UK is the EU's largest single export country. The EU (excluding the UK) exports 16% of its worldwide goods sales to the UK. This represents about 3% of EU GDP; neither negligible nor dramatic. This is followed by the US with 16% and then China with 8%.

As you will see from the above, the UK's exports to the EU accounts for 44.5% of its total exports whilst the EU's exports to the UK accounts for 16% of its total exports. It is a fact that, in percentage terms, the EU is far more important to the UK than the UK is to EU. It is also a fact that the UK and Greece are the only two nations whose biggest export markets are outside of the EU.

The former Conservative-Lib Dem Coalition government, and the previous Labour government, stated that over three million jobs are linked, directly or indirectly, to exports to the EU. This is not the number of jobs linked with membership of the EU as some trade with EU countries would still take place if the UK were to leave the EU.

The question of what trading arrangements the UK will have with the European Union, should it choose to leave the EU, is central to evaluating the economic impact of the decision to Leave or Remain.

The "Remain" campaign argues that there are no guarantees of any trade deal, and even if there is one, it may be very similar to that with Norway (a member of the European Economic Area obliged to accept the Single Market rules incurring 94% of the same costs without any voting power) or Switzerland (which does not have full or automatic access but still has free movement of workers).

Germany's Finance Minister has made it clear, there will be no Free Trade deal between the UK and the EU without the UK accepting the free movement of people and paying into the EU budget - "pour décourager les autres." In summary, Germany would encourage the EU to punish the UK to stop other EU countries from seeking to leave.

The "Leave" campaign argues that, since the UK would be one of the EU's largest trading partners, they would have a strong incentive to enter into a deal that was more advantageous to the UK than that of Switzerland or Norway and operate along the lines of that agreed with Canada, which has no such restrictions or Peru which took just two years to negotiate.

It is important to note that the Lisbon Treaty specifically requires the EU *"to develop a special relationship with its neighbouring States, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the EU and characterised by close and peaceful relations"*

based on cooperation". Accordingly, the EU would be in breach of its own treaty arrangements if it acted towards the UK in the manner proposed by German's Finance Minister. Also, the EU is legally required to negotiate new arrangement with any country leaving the EU within two years of it being notified. (But then acting illegally has never worried the EU Commissioners so the UK would be wise to be cautious).

The fact is that the UK is a valuable market to a very large number of companies (i.e. Mercedes, BMW, Volkswagen, Siemens, BASF etc.) and it is very unlikely that they would approve of the German Finance Minister's position should the UK vote to Leave. Further, the PIGS countries are all major exporters to the UK totalling \$44.6bn, (Spain \$20.9bn, Ireland \$18.8bn, Portugal \$3.7bn and Greece \$1.2bn). It is highly unlikely that these countries, who each have serious economic problems, are going to allow the EU to put in place arrangements which hinder their trade with the UK.

Even if the EU were to impose tariffs on imports from the UK, then by international agreement, they would have to comply with the average World Trade Organisation permitted level ('WTO'). For example, it was on this basis of WTO tariffs that the Prime Minister recently estimated that, with 90% of UK Lamb and Beef exports going to the EU, then if tariffs were added, it would cost this sector about £310 million a year.

Using the same WTO calculation as the Prime Minister, then tariffs place on all UK exports to the EU could cost UK industry approximately £9.2 billion a year. The UK's net contribution to the EU is £7.1bn, so in the worst case it would be £2.1bn worse off, but there would be huge saving on infrastructure development as the UK controlled its borders and reduced the impact of immigration. Further, it would save in the long term on the cost of implementing EU directives and be free to negotiate its own trade deals with other nations.

With the UK running a balance of trade deficit with the EU, it makes no sense for the EU to impose tariffs as the risk is that the UK would counteract by doing the same thing, but with a higher overall cost to the EU, whose member states would no doubt object to trading barriers being erected against an important trading partner. Finally, the USA would object most strongly if the EU were to punish the UK should it decide to Leave. The USA needs the UK to be economically strong so that it can meet its defence commitments to NATO.

Various studies have attempted to quantify the benefit or cost to the UK of its membership of the EU. This is a very difficult exercise and depends on a wide range of assumptions. Estimates vary significantly. For example, a 2005 study by the Institute for Economic Affairs found a cost of EU membership of between 3% and 4% of GDP while a 2013 study by the CBI found a net benefit of between 4% and 5% of GDP.

The London School of Economics' Centre for Economic Performance estimates that leaving the EU will reduce average UK household income by between £850 and £1,700 per annum. This is on the assumption that UK GDP falls between 1.3% and 2.6% but, they provide little reasoned argument for making these GDP assumptions. Likewise, a report by PwC on behalf of the CBI issued in March 2016 estimated that GDP in 2030 would be between 1.2% and 3.5% lower if the UK left the EU than remained, but it is very hard to validate their assumptions. For example, they assume there will be a flight of capital out of the UK without providing any substantive justification. However, this report also says that "average real GDP per capita in 2030 would be 25% to 28% higher than 2015 in an EU exit scenario compared to a 29% increase in continued membership". In other words, each person is going to get richer but less so if we leave the EU.

As part of the assessment we need to consider whether the UK leaving the EU would cause capital to leave the economy. As has recently been seen in Russia and the Middle East, it is the flight of capital which causes economic instability and countries to go into recession. Of all the financial issues talked about in the EU referendum debate, it is probably the single biggest risk and yet there is little measurable data. We know that Norway's Sovereign Wealth Fund, one of the largest in the world, has indicated that the referendum decision will not affect their decision, and they will continue to invest in the UK. We also know that the international credit markets have not priced a risk premium into UK gilts so they appear to be unconcerned as to the risk to the UK economy from a vote to leave. We also know that London Residential Property has become an international investment assets class, seen as an alternative to gold. Further, while the Euro remains inherently weak there are not many places where capital can safely move. Other than these, it is impossible to tell what will happen to capital movement or associated interest rates.

Whilst the independent government body, the Office for Budget Responsibility, which has deliberately kept out of the referendum debate, noted that "lots of people have made detailed analysis of these things [leaving the EU], some are positive others are negative ... in both cases people don't expect those effects to show up overnight. They would take a long time, probably well beyond the five-year horizon."

It is far more likely that an outflow of capital will arise from the UK's failure to get its budget deficit under control, currently running at over £100bn a year. In 2005, the UK national debt was £0.5 trillion. At the end 2015 it was £1.5 trillion. In terms of Gross Domestic Product, in 2005 the UK national debt was about 38% of GDP. It is now doubled to over 80%.

A 2015 study by Open Europe found that the cost of the 100 most burdensome EU regulations was £33.3 billion a year. These costs will not disappear because those UK companies who want to export to the EU will still have to comply with the single market regulations.

Having read many forecasting reports, it is my assessment that no-one knows the likely economic effect of the UK leaving the EU and no one assessment is more valuable than any other. It is, however, highly unlikely to be catastrophic.

My view, for what it is worth, is that the cost to UK business of leaving the EU is unlikely to substantially exceed the net saving from paying the EU membership fee. Accordingly, with the economic effect being neutral, other factors will be more important in the referendum decision-making process.

The Euro

In 1988, I wrote a commissioned, but unpublished, article for the Seven Day Telegraph arguing against Europe having a single currency. It was obvious, even then, that the economies of Europe were too diverse to enable it to happen. I argued that currency movements were essential to deal with the expansion and contraction of the different economies in each of the countries at different times.

If a single currency was to work, then instead of the markets working to rebalance economies, there was going to have to be an administratively determined solution; namely, capital payment from the rich to the poor nations. In evidence, I pointed out that England has been in a currency union with Scotland and Wales for over three hundred years and in every one of them Scotland and Wales have benefitted from government per capita spends higher than that in England.

I argued that markets were much better at making reallocation of capital decisions and instead proposed a thirteenth currency which was legal tender in all countries, sitting alongside the national currency, where the exchange rates were set at midnight based upon market changes the day before. A version of this is what the UK government proposed to the EU Commission as an alternative to the Single Currency but it was rejected - a sound economic policy slaughtered on the altar of political ambition.

Applying the two major economic tests of a money, the Euro has been very successful. It is used by over 350 million people every day as a medium of exchange and it acts as a store of value. In this respect, it has worked and worked well!

The problem with the Eurozone is that it has not created the capital transfer mechanism, or released the additional capital into the real economy, which is needed for economic growth or social cohesion. Instead, it has relied upon the existing EU budget, and therefore countries like the UK, paying for this major single currency policy initiative, even though they are not part of it.

Mervyn King, former governor of the Bank of England, recently said: "the attempts to create a monetary union have been damaging economically and damaging politically within the Euro Area. If I may, can I say "I told you so."

The solution to getting the Euro to work is a significant and prolonged capital investment programme from the rich to the poor countries. Again, this view is supported by Mervyn King who said: "to make the single currency work, the most powerful Eurozone countries have to transfer funds to those other less prosperous areas." Sorry, but again "I told you so."

Germany is now the predominant country of Europe. It has very reluctantly made the capital payment required to keep the EU banking system alive but nothing more, and with it they have demanded certain political obligations. This has created huge tensions within the EU. For domestic political reasons, Germany is not prepared to make the additional intra Eurozone capital payments which are needed to make the Eurozone work successfully. This is not only continuing to cause great hardship in some Eurozone countries but is also hindering any chance of an economic recovery. It is not a change in monetary policy that is required (the Central Bankers' cupboard is bare) but a fundamental change in fiscal policy.

Without a fundamental change in EU fiscal (rather than monetary) policy in the immediate to near future, then the EU economy will not provide the trading growth which the UK, as a trading nation, needs. In these circumstances, the UK needs to look to nations outside of the EU for its future economic prosperity.

At present the Common Commercial Policy ('CCP') means that, whilst other much smaller countries outside of the EU can negotiate trade deals, the UK cannot. EU trade deals are negotiated by the EU Commission which has to take account of all of the protectionist policies and demands of all 28 nations and only then does it have a position from which to negotiate with the other side. This means that much small nations, outside of the EU, have more power over their trade negotiations than the UK whose interests are protected only second-hand. This is not good enough for a population of 64.8 million people.

The need to look to economic growth outside of the EU and the restrictions that the CCP places on the UK's ability to negotiate trade deals give good reasons to vote Leave.

I cannot but help notice how many of those people, who argued in error for the UK to join the Euro, are now arguing that the UK should remain in the EU. Since they were so catastrophically wrong last time I wonder what makes them right now

European debt and the Eurozone's banking crisis.

The 2007-8 financial crisis revealed how inadequately the European Central Bank ('ECB') was set up to deal with the tasks placed upon it. It would have been reasonable to have assumed that, in setting up the ECB to support the Euro, the governments of the Eurozone Countries would have given it the necessary powers to support its key objective, which was to make the Euro do its job and work as money. It is a fact that the ECB was not give the necessary wherewithal to do its job. This was a huge political and administrative failing, the consequence of which were easily foreseeable!

It is axiomatic that, with the responsibility of making the Euro a medium of exchange, the ECB should have been the central bankers' central bank, and yet it was not. One of its primary jobs should have been as a lender of last resort, not to the EU governments but, to the banking system of the Eurozone generally. Accordingly, it should also have been given the job of supervising the central banks of the Eurozone countries. Neither of these happened. So badly was the Euro project put together by EU politicians that they failed to deal with the obvious.

At the outset of the Euro, there was a presumption made by the bond market that, because a country was in the Eurozone, every other country was responsible for underwriting its debts. This was not just a wrong assumption; it was a negligent one because Article 125 of the EU Treaty specifically made it illegal for the EU to be responsible for any nations debts. Further, there was no evidence whatsoever that the ECB had the legal or financial capacity to support or buy the national debts of its members. If the bond market thought that they could, on threat to the Euro, force the ECB into a position of 'underwriter-in-crisis' then they should have been mistaken. In the US, when New York State or the State of California defaulted on its State Bonds, the Federal Reserve Bank did not go into apoplexy, fearful as to what this might mean for the US dollar. Yet, this is precisely what happened in the EU.

It was a stupid mistake for fund managers, responsible for investing pension fund and other monies, to invest or lend money to a country like Greece in the first place. Certainly it should not have been priced at the same interest rate as they lent to other countries, for it completely ignored the risk premium which should have been attached as a result of the known weaknesses in the Greek economy. Accordingly, the lending mistake was equally with the lenders as it was with the borrowers, for if you lend unwisely by buying worthless Greek bonds, and lose your money as a result, then you only have yourself to blame.

For over 200 years, it has been understood that there is little point in throwing people unable to pay their debts into a debtor prison. Instead, bankruptcy laws were created which allowed a person under supervision to restart their lives free of debt; except everyone forgot this when it came to the national debts of Portugal, Ireland, Greece and Spain.

The fact that Germans retire and receive their state pension aged 65 in Germany whilst in Greece the retirement age was 55 was such an anathema as to be unacceptable; so was the corrupt management for the collection of Greek taxes; for example, working as an Inspector of Taxes in the morning and in the afternoon working for an accounting firm which submitted those tax returns. Accordingly, any rescue package of Greece, whether by the ECB or the IMF, had to be linked to fundamental economic reforms and austerity. Even though the country held a referendum on the proposed austerity

measures and these were soundly rejected, the Greek government was forced to implement the most swingeing of austerity measures so as to borrow the money it needed. Today, Greece is so badly damaged that it can no longer afford to keep sufficient drugs in its hospitals to look after its patients.

The same happened in Ireland, who in 2010 had agreed to new austerity measures to borrow €85 billion in an EU rescue package, and in 2011 Portugal agreed to the same thing when it borrowed €78 billion. In the end, the Eurozone Finance Ministers illegally set up a European Stability Mechanism Fund worth €500 billion (to which the UK had to contribute both directly and indirectly through the IMF) so, amongst other things, it could buy from the bond market some of its worthless bonds. Just like the US before in 2008 with its TARP program, this was the EU socialising capital losses with shareholders being unfairly protected for, as owners, they should have lost their money first.

So bad was the vacillation of the EU and the ECB over Greece's debt that, in 2015 its banking system closed for three weeks with people being limited to withdrawing just €500 a day. In Cyprus, their rescue package meant literally the confiscation of money from the Cyprus bank account of savers. One day the money was in your account and the next day it was gone.

This should never have happened, as the solution was both easy and already proven to work. It should have followed what the British government did in 2007-8 when, to keep them solvent, it ended up owning substantial amounts of the share capital of the Royal Bank of Scotland and Lloyds Bank as a result of a state funded recapitalisation programme. For the ECB to have done a similar thing would probably have been legal within EU law, whereas the establishment of the European Stability Mechanism Fund was definitely not.

The problems were worse in Greece and Cyprus, because the governments of these countries were bankrupt and so could not afford to finance the recapitalisation of its banks as was necessary. In these circumstances it was a task which should have fallen on the ECB; effectively taking these countries' banks into ECB partial ownership until they were stabilised and could be sold back into the market.

It is economic lesson 101 that if you reduce the money supply in a country then it slows down the economic activity, and if you reduce it too fast then you have a recession. It was the global collapse in the money supply in 2007-8 which led to the subsequent Great Recession. Everyone in the European Commission, the Council of Finance Ministers and the ECB must have known that by not writing off enough debt fast enough, by implementing severe austerity programmes, by shutting the Greek banking system for weeks and by stealing vast swathes of money from savers, they were so dramatically reducing the money supply thereby committing the peoples of Portugal, Ireland, Greece and Spain to years of penury. They must have known it would cause high unemployment, particularly youth unemployment. In Greece, out-of-season youth unemployment typically reached as high as 60%. This is having a hugely destabilising effect both on the country and its government. It is one of the reasons that the Eurozone economy continues to perform very badly.

What we have seen in the Eurozone, just as was seen in the USA in 2007-8, has been the protection of the rich and privilege at the cost of the middle classes and poor. The Euro debt crisis demonstrated the power of the banks to unfairly and corruptly influence those who rule over the peoples of the Eurozone. The subsequent huge increase in quantitative easing undertaken by the ECB (also illegal under the EU Treaty) has not driven money through to the real economy. Instead, it has provided the capital markets with the liquidity to consolidate their ownership, and therefore their power, over the wealth-creating industries. This is simply unacceptable.

At the heart of the EU there is passion for the EU project and its institution but, as amplified by the Eurozone debt and banking crises, the peoples of the institutions operate in a functionary manner without care or passion for the people they rule over. It is as though, just as in the communist experiment, its principles have been hijacked. Rather than being a mechanism to serve the people, communism became the higher ideal, such that people had to serve it, rather than it them. Exactly the same seems to have happened with the EU project. Rather than it being a project to serve the people of Europe, it has become a project where the few, mostly unelected, make decisions on behalf of the many, and where the major beneficiaries of those decisions are the few, leaving the many much worse off. This cannot be right.

It is clear that, for the last eight years, there has been mismanagement of the Eurozone economy, not all of which can be blamed on the Euro. This is because the Eurozone apparatchik have fundamentally failed to grasp the issues facing it so as to make the EU more prosperous. Until they do this, it is safe to assume that there will be limited economic growth in this market. Accordingly, UK plc must look elsewhere if its businesses are to grow irrespective of the referendum result.

When France and Germany came together at the very start of the EU project, Germany had, as one of its objectives, not to be the principal player. It did not want to be the predominant force, and yet that is exactly where it is today, for Germany now runs a significant balance of goods trade surplus⁷ with the whole of the EU which, in 2014, amounted to €64.6 billion. Economically, they are masters of the EU, and he who pays the piper, along with France and Italy, are now calling the cultural tune, and it is not a nice one.

It is a fundamental principle of partnerships that there should be generosity of spirit amongst the partners if the partnership is to succeed and yet this generosity of spirit is palpably missing from the EU even when, as during the Eurozone banking crisis, it was in the best self-interests of the main creditor nations to be generous. This then raises a question - where is the cultural heart of the EU?

It is often said that there would not have been genocide in Germany if its people had compassion; if they had been a nation which cared for others as much as themselves. The World Giving Index ranks Germany in twentieth place as compared to the UK's sixth place. Certainly there is a selfishness in France which can be amply demonstrated by the fact that at the end of its empire it does not have a relationship with its former colonies in the way the UK does with its Commonwealth of nations. Further, it ranks 74th in the World Giving Index just two places behind Italy at 74th place. This lack of reciprocated care and compassion makes the EU culturally a very uncomfortable place to be.

The question is, can the UK, by staying within the EU, change its culture to make it more caring of its peoples in its policy-making and implementation? We know the EU is impervious to change. We know the UK has little influence. Very sadly we have to conclude that the UK cannot, from within the EU, make the cultural and policy changes it requires.

It is impossible to speculate what influence, if any, the UK would have on the EU from outside. One has to assume it is negligible. It certainly seems, to paraphrase President Lyndon Johnson, that the EU feels it is probably better to have the UK "inside the tent pissing out, than outside the tent pissing in", and for this reason, and the fact that we are a net contributor, they put up with us

⁷ Germany's whole world trade surplus in 2014 was about \$250 billion or almost 7 percent of the country's GDP. IMF estimated that Germany's inflation-adjusted exchange rate was undervalued by 5%-15% by reason of its currency sharing with some notably economical weaker countries. The Brooking Institute commented that "the comparatively weak euro is an underappreciated benefit to Germany of its participation in the currency union.

In case the EU turns on us one day, as it did with Greece and Cyprus, then perhaps it is safer that the UK is not part of it. For as Winston Churchill is reported to have said in a row with General Charles de Gaulle, on the eve of the Normandy landings in 1944: "if Britain must choose between Europe and the seas it must choose the seas."

The European Union and business.

Why is it that, at the start of the 21st Century, the continent which provided the home and inspiration for Aristotle, Beethoven, Berners-Lee, Columbus, Darwin, Einstein, Erasmus, Galileo, Hawkins, Ibsen, Newton, Pascal, Plato, da Vinci, and Van Gogh is not able to perform economically as it should? Is the reason that, at its core, it has a socialistic anti-business default position?

The EU does not start from the premise of what are the problems and what are the appropriate actions to solve those problems. Its legislative programme is based around a political ideal rather than practical solutions to everyday problems. The political train, which keeps on running relentlessly, is the harmonisation programme which is focused on making the single market work. It is about the fundamental distrust of unregulated markets and the standardisation of everything. It results in ever more EU directives which places ever greater financial burdens on EU business. This makes them less competitive, in an ever competitive global economy. Every time the EU adds costs burdens to EU business it is directly exporting EU jobs to other non EU countries.

The EU Commission has failed to accept the principle of subsidiarity, i.e. doing only those things which are pan-national, leaving to each nation the right and obligation to manage its own affairs. Instead, it considers itself wiser than all the national governments with the result that there is a plethora of directives which are passed into law; in the process, upsetting British sensitivities. For example, the rules stop EU citizens buying the vacuum cleaner, or the fast boiling kettle, of their choice by legally limiting the electrical power of the device, or stopping the sales of incandescent light bulbs or even the ability to buy homeopathic remedies. The EU Commission has even introduced rules which mean that UK councils cannot dispose of household waste as they consider fit, with fines imposed from Brussels if they fail to meet targets. I am all in favour of recycling. It is environmentally and economically the sound thing to do; but cannot the rules be created in the UK where they can be more easily changed as events and circumstances change? It should not take the leaders of 28 countries to decide matters like this.

Consider the draft Soil Framework Directive produced by the EU's Directorate-General for the Environment. They concluded that soil across the EU and global level was degrading (true). They concluded that soil degradation has a negative impact on human health, natural ecosystems and climate, as well as on the UK economy (true). They also concluded that problems linked to soil degradation needed to be dealt with beyond the areas that are degraded, i.e. this was an EU Commission matter. Therefore, in September 2006, the EU Commission adopted a 'Soil Thematic Strategy' with the objective of protecting soils across the EU. After numerous man years of work studying the issue, meeting governing and opposition political parties, and talking to farmers, a draft Soil Framework Directive was produced. This Directive would have had a direct effect on how UK farmers farmed their land. Eventually, the Council of Ministers killed off the work on this draft Directive which the EU Commission then withdrew in May 2014, after 8 years of work. However, in January 2014, and not to be defeated, the EU Commission introduced its Seventh Environment Action Programme which provides that by 2020, land is managed sustainably in the Union so that soil is adequately protected and the remediation of contaminated sites is well underway. Further, it commits

Member States to increasing efforts to reduce soil erosion and increase soil organic matter. The Soil Directive has not gone away. It has just been put in a bottom drawer to come out again at some time in the future.

Another example of the EU interfering unnecessarily in UK business is the new Port Services Directive where every single UK MEP voted against, because it was against UK interests, and yet it passed into law. In summary, the UK wanted to exclude private ports from this Directive as the issues, which the EU Commission were trying to address, did not apply to them. As a result, it has added unnecessary costs and risks to the UK port business. The arguments are well-covered at <http://www.hannan.co.uk/eu-officials-all-at-sea-over-ports-legislation> (apologies it is Daniel Hannah, as he is a member of the Leave Campaign and therefore biased but he does write clearly on this matter.)

The first duty of government is the protection of the realm and without steel the realm cannot be protected. An indigenous steel industry is essential to the UK's manufacturing base but, more importantly, as the UK is an island people, it is vital to its long-term security. Currently countries like China and India are dumping steel on the world market making the UK's high-quality steel uncompetitive. This is particularly so in the UK with its very high energy costs. Unfortunately, because of its membership of the EU, the UK government cannot act in its country's best interests by providing subsidies and grants to its steel industry without EU consent. Such consent has been refused. As a result, the UK steel industry is at risk of being shut down, closing plants that can never be reopened, with the loss of 15,000 jobs.

What we do know is that EU Energy Policies have made EU gas and electricity one of the most expensive in the world. What then made matters worse was the last Labour Government's gold plating of these EU policies, in some macho effort to prove their green credentials, which then made UK gas and electricity the most expensive in Europe. This has had a direct adverse effect on UK competitiveness.

The Q3-2014 EU Quarterly Report of European Electricity Markets says: "During the last few years wholesale electricity prices in the EU remained high compared to the US, resulting in a competitive challenge to the EU economy". Further, the report noted: "the average UK wholesale electricity contract shows a €10-€15/ MWh premium to the major West European peers." This has a serious adverse effect on not just the steel industry but other UK industries which are power dependent such as the chemical and fertiliser industries, so it is not surprising that Tata, when deciding whether to keep open plants in the UK or mainland Europe, has decide to sell or close its UK plants.

It is interesting to compare the EU's position on the UK's steel industry with French subsidies to EDF, the power generation company contracted to build a new nuclear power station in the UK. The Finance Director of EDF resigned because he did not consider its balance sheet strong enough to take on the risk attached to the building this nuclear plant. Very shortly afterwards, by the Finance Director almost forcing the issue, the French government decided to invest €18 billion in EDF by way of state subsidy with the approval of the EU Commission, in effect, immediately subsidising the production of cheap electricity in France. This is not the way a single market should work.

There are numerous other examples of the UK government having to get EU Commission permission (note the bureaucrats and not their political leaders) to protect the UK's vital interest, for example

during the banking crisis, when it was necessary to nationalise in some of the banks, this could only be done with the permission of the EU Commission.

If I may, I would like to indulge you with some of my personal experiences so far as business and the EU are concerned. Like many people, I did not realise the extent that the rules and regulations of the EU pervade business life. I had heard the story of the woman who had given up her jam business as her product did not contain enough sugar to call it jam. However, it was my time as Executive Chairman of an international language business, which operated the largest language school in the UK on Oxford Street, that brought home to me the amount of executive time which was having to be spent on EU related bureaucracy.

As a result of what was supposed to be a technical change in value added tax, I discovered that the school's VAT bill had been increased quite substantially. The VAT it was paying was equivalent to an additional corporation tax rate of 18%, taking its effective corporation tax rate up to nearly 40%. This seemed fundamentally unfair given that Google only pays corporation tax at a rate of 3%. However, more importantly, it seemed to me that taxing education was contrary to sound public policy. I therefore set out on the road of trying to change VAT tax law. In the past I have been able to influence tax and company law legislation, even helping to write a Statutory Instrument, so I set off with great confidence in my abilities. However, because this law originates out of an EU directive, the UK government effectively washed its hands of any problems saying that there was little it could do. As has been seen with VAT on sanitary products, these issues don't get fought by UK civil servants in the EU Commission. They know how hard they are to fight and therefore give up before they even start. Please take it from me that small businesses cannot afford the cost of hiring the inevitable consultants that are needed to take it through the EU bureaucratic process as, without them, you don't know the people in the EU commission to talk to. Your MEP is there to help but in itself it is not enough. Then there is the cost of travelling backwards and forwards to Brussels, often staying overnight to lobby people to your cause but you never really know whether any of the people you are lobbying have any power or influence to change things. Eventually you realise that the power is with the technocrats whose minds are already closed, certainly on any aspect regarding VAT. In the end you just give up; knowing that raising taxes on education, or on something that discriminates against half of the population, like sanitary products, is just wrong, and with it comes a resentment against the EU institution.

When we came to part company with two long-standing Italian agents for contractual non-compliance, we found we were not just dealing with the contract between the two of us, but also with the implications of the Commercial Agents Directive. This directive protects commercial agents and gives them various rights, such as compensation payment following their termination. It meant having to consult with the lawyers on the way the relationship was terminated, as the provisions were quite draconian. For example, they could be paid up to 5 years of their average annual commission payments as their compensation for termination. This would not have been the case under the old UK Common Law where, if the contract did not set out the terms of termination, the parties would seek to negotiate a fair and reasonable payment and if they were unable to agree, the courts would decide. Instead, EU law now overrides a bargain which had otherwise been freely entered into between two business people.

As part of a programme of quality control, the school wanted to introduce a minimum purchase price for other schools using the same teaching system, knowing that below this price the service to

customers would be compromised, as would a brand name. Even though the school's market share was less than one hundredth of 1%, we discovered that there is no de-minimis under UK competition law, because there is no de-minimis in the EU Competition Directive. If the school had done as it wanted, then the directors would have acted illegally and the business would have been subjected to a £400,000 fine. Whilst competition law is essential to stop cartels and monopolies, particularly in the world of large multi-national businesses, it is ridiculous that these rules are catching the very small businessman with sales of just a few million pounds.

As I discovered, EU regulation makes management inward looking. It means it is less able to devote time to looking after its customers and productive elements which enhance the business. If you want a reason why the EU economy is performing less well than it should (apart from the liquidity crisis caused by the mismanagement of the debt crisis) then the bureaucratic burden placed on businesses is unquestionably one of the causes.

The trouble is that if the UK leaves the EU and still wants access to the EU market, then it is going to have to comply with very many of its rules and regulations. For those businesses who trade only in the UK, or with countries outside the EU then, a reduction in rules and regulations caused by the UK leaving the EU, should provide a welcome advantage.

The European Union, the Transatlantic Trade and Investment Partnership and the NHS

The Transatlantic Trade and Investment Partnership ('TTIP') is a proposed bi-lateral trade agreement between the US and the EU designed to reduce the regulatory barriers to trade for big businesses and the sovereign powers of individual nations. Industries it would affect include healthcare services, pharmaceuticals, cars, energy, banking finance, chemicals, clothing and food and drink.

The negotiations were planned to be finalised by the end of 2014, but will now not be finished until 2019 or 2020. When completed, the TTIP is expected to dwarf all past free trade deals. The EU Commission estimates that it could increase the size of the EU economy by €120bn (£85bn) – equal to 0.5% of GDP – and the US economy by €95bn – 0.4% of GDP. The EU Commission argues that it would create several million jobs dependent on exports while consumers would enjoy cheaper products and services. According to a study commissioned by the Centre for Economic Policy Research in 2013, the TTIP would make the average European household of four around €500 a year better off as a result of wage increases and price reductions. For these reasons, it should be welcomed.

The first thing to note about the TTIP is that the discussions are being held in secret and the information classified. We only know what is going on because, in March 2014, a proposed draft agreement was leaked. This resulted in the EU Commission launching a public consultation on a limited set of clauses and in January 2015 it published parts of an overview. In the UK, those in government have to operate within the Seven Principles of Public Life. One of these is Openness. This requires that *“holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.”* We have to ask why the EU Commission cannot operate on the same basis.

One of the main aims of TTIP is the introduction of Investor-State Dispute Settlements (ISDS). This allows companies to sue governments if those governments' policies cause a loss of profits. ISDS provisions have been included in many trade deals around the world since the 1980's. They were introduced to encourage overseas investment in poorer countries. It means private investors can ask a tribunal of international arbitrators to judge if a government has treated them unfairly – and can get

compensation. In effect, it means transnational corporations can, through the threat of litigation, dictate the policies of democratically elected governments. It has, for example, led to the Swedish energy company Vattenfall suing the German government for billions of dollars over its decision to phase out nuclear power plants in the wake of the Fukushima disaster in Japan. There are around 500 similar cases of businesses versus nations going on around the world at the moment and they are all taking place before 'arbitration tribunals' made up of corporate lawyers appointed on an ad hoc basis, which according to War on Want are "little more than kangaroo courts" with "a vested interest in ruling in favour of business."

Public services, especially the NHS, are in the firing line from TTIP. One of its main aims is to open up Europe's public health, education and water services to US companies. This could essentially mean the privatisation of the NHS. Certainly, it would make any privatisation of any specific services much harder to take back into public ownership.

The European Commission has claimed that public services will be kept out of TTIP but it is exactly these public services which US companies want to be able to bid for. The UK Trade Minister, Lord Livingston, has admitted that "talks about the NHS were still on the table".

The final draft of the TTIP agreement will be decided by Qualified Majority Voting which means that the UK will not be able to veto the final agreement.

It is my judgment that ISDS is not conducive to a mixed economy like that operated in the UK. It provides a potential threat to the NHS. It provides a reason to vote Leave.

UK hospitals claimed £49.7million in 2014 for treating EU patients. In the same year EU governments claimed £674 million from the UK government for treating UK citizens in their hospitals, and yet health tourism is known to be a significant problem for the UK. These statistics show that there is something obviously wrong with the system somewhere. Outside the EU, the UK would be able to insist that visitors have health insurance before they come or, as they do in some countries, impose a visa charge specifically to cover the traveller's health risk.

Whilst considering the NHS, we should also consider the Pharmaceutical Industry in which the UK is a world leader, particularly in the development of new drugs, medical procedures, medical equipment and diagnostics.

It is essential that a drug produce in one EU country must be safe if it is to be sold throughout the EU. To this end, in 1995, the EU set up the European Medicines Agency for the evaluation of medicinal drugs and products. It is roughly the same as the U.S. Food and Drug Administration except without its centralised style. In fact, there have been seven separate EU directive governing the pharmaceutical industry and to a large extent the EU's work in this area is to be applauded.

However, in almost every case, these EU directives have worked for the benefit of the large pharmaceutical organisation, which had the money to lobby its input, with total disregard for, and in some cases to take competitive advantage over, their smaller competitors. In other cases, they have had serious unintended consequences, as was the case with St George's Hospital of the University of London. This hospital is globally renowned for its pioneering research work into personalised medicine. This work is incredible important to the future of medicine for its work includes taking a patient's DNA or stems cells, altering them in the laboratory, before reintroducing them back into the patient to help make them well. However, the EU's Clinical Trials Directive was so over prescriptive in its effect that it meant the hospital was unable to continue its production of these small quantities of

personalised drugs tailor-made for the patient, without huge investment. It is just wrong that bureaucrats, devising rules in committee rooms in Brussels, can get in the way of the development of life-saving medicines like this.

Security and the European Arrest Warrant

The UK is being told by the security services that to vote Leave will result in the UK being less secure. However, they have not made a reasoned or argued case as to why this is the case. Further, this advice is being given by the same security services who told the UK population that it needed to invade Iraq for their safety. It is now known that there was no security threat. The war was politically motivated and illegal.

Sir Richard Dearlove, who was Head of MI6 between 1999 and 2004 said: "Britain provides more intelligence to Europe than it gets back. The truth is that from a national security perspective the risk to Britain of leaving the EU would be very low."

To put Dearlove's comments into perspective, he also argued that the UK leaving the European Convention on Human Rights could boost security. He appears not to have appreciated that the ECHR is not a convention of the EU and therefore the referendum would make no difference to the UK's legal obligation to its adherence. Most importantly, ordinary people need the ECHR to make it illegal for the UK security services to be involved in such activities as extraordinary rendition, where individuals are smuggled from one country into another to be tortured. From information which has come into the public domain it would appear that British Security forces were, very regretfully, involved in this illegal activity during the Afghanistan war. He also argued "the only security benefit came from the European Arrest Warrant," which I discuss below.

Europol estimates that, amongst the current refugees moving from the Middle East to Europe, there are 3,000 to 5,000 potential jihadi terrorists. The Head of the German domestic intelligence service said: they "are powerless to stop Islamic State fighters" and that "some of the immigrants which came into Germany in 2015 are terrorists." We already know how the Paris terrorists moved their weapons through the Schengen Area with ease from Macedonia through Brussels to Paris. We also know that the Paris Terrorists were French and Belgian nationals who had the right to live and work in the UK.

The substantial security failing in Belgium, which came to light immediately after the March 2016 Brussels bombings, clearly demonstrates that the security services in that country are not capable of gathering and assessing information to protecting themselves, let alone France or the citizens of the UK.

Whilst being outside the Schengen Area provides the UK with some protection against refugee jihadists entering the UK, it provides no protection against terrorists with EU passports. It therefore seems sensible that the UK uses its island status to protect itself from terrorism by controlling its borders by voting Leave.

We are being told that the UK would lose the international co-operation of the police and security services and be denied access to their databases if the UK were to Leave the EU. Does it really mean that French police would no longer have access to the DVLA so as to prosecute UK citizens for speeding in their country? I think not. The UK has world renowned police and security services. Already our security services have, under separate bi-lateral agreements, officers working embedded in these countries and vice versa. The countries of Europe involved in these co-operation agreements will still

want them to continue even if the UK leaves the EU. I cannot put credence to the argument that they will simply end.

The European Arrest Warrant ('EAW') operates EU-wide and replaced the separate extradition arrangements between the EU member states. It means that a national judicial authority, such as a court, can issue an EAW to get a suspect extradited. For an EAW to be valid, the suspect must be accused of an offence incurring a maximum penalty of at least a year in prison, or must have been already sentenced to at least four months in prison. The EAW means faster and simpler surrender procedures for suspects because EU states can no longer refuse to extradite one of their citizens on grounds of nationality. Extradition no longer requires a political decision for a suspect to be handed over. The EAW means mutual recognition of criminal justice systems in the EU. A suspect must be handed over within a maximum of 90 days after arrest. The EU Commission report that, where a suspect agrees to surrender, the average extradition time is 16 days. They further say that before the EAW was introduced it used to take an average of one year to extradite someone but now that has been cut to an average of 48 days.

Two things. Do you want a court in, Bulgaria, Croatia, Greece, Romania or Turkey being able to issue an arrest warrant on your son or daughter without a UK court being able to consider the evidence first? Even in a case where a UK resident can prove to a UK court that, beyond all doubt, they are not guilty of the crime, for which the EWA has been issued, the UK courts are powerless to do anything other than to extradite the person on the arrest warrant. What appears to be happening (and this is only informed conjecture) is that some countries are using the EWA to summons witnesses back for interview for their knowledge of the crime, rather than the investigating police coming to the UK for evidence gathering. This is disrupting innocent people's lives for a very long period of time and very unfairly.

Secondly, did the people of the UK really understand the criminal systems of the respective EU countries and their differences to UK criminal law when the EU instituted these arrangements without them ever appearing in any party political manifesto?

The UK criminal law comes from common law and has some well-established pillars. For example, habeas corpus, trial by jury, the presumption of innocence and to be proven guilty beyond reasonable doubt. Most of the countries of the EU are based on Roman Law and then the Napoleonic Criminal Code. This does not have the presumption of innocence in it, because it was already covered by French law as it was created during its revolution. As a result, it has been omitted from the criminal law of very many EU countries. Further, it does not require a trial by jury. In some countries, innocence or guilt is determined by a judge sitting with two full-time employed lay assessors. Further, whilst there are similar provisions to habeas corpus, the procedural nature of the Napoleonic Code means that there are sometimes very long delays between a person being arrested, then produced in court for the first time and their eventual trial.

Removing UK citizens from the threat of a European Arrest Warrant is a good reason to vote Leave even if it does mean it takes longer to extradite to the UK criminals it wants to put on trial.

The European Union Court of Auditors and EU corruption

It is often reported in the UK press that the EU Court of Auditors ('the Auditors') has refused or rejected the EU accounts. This is a simplistic statement which makes it untrue. It is true that, for the past 20 years, EU payments have been consistently found to be subject to significant errors.

In 2011 the Auditors decided that an error rate of above 2% of the total budgeted item was material and since 2008, in their Statements of Assurance⁸, they have reported an error rate consistently above 4%. However, it is important to note that it is Member States which control 80% of EU spending. This means that, by and large, it is member states which are at fault and not the EU commission. The main areas for error are in the rural development fund with an error rate of 7.9% and in the budget allocated to regional policy, energy and transport accounts where the error rate was 6.8%

Most interesting was the comment by Vitor Caldeira, President of the European Court of Auditors who said: *"based on our findings, we believe policy makers need to develop a wholly new approach to the management of EU spending and investment"*. He then went on to say: *"the EU should be investing and spending its money as effectively as possible."* It is staggering that, in 2015, this is not sine qua non.

In 2014, the EU Commission issued a report into a study into corruption which covered all 28 member states. EU Home Affairs Commissioner Cecilia Malmstroem, on issuing the report said: *"corruption across the EU was 'breath-taking', costing its economy at least 120bn euros (£99bn) annually and the true cost of corruption was probably much higher"*.

Interestingly, whilst only five people out of 1,115 in the UK (less than 1%) said they had been expected to pay a bribe, 64% of British respondents said they believed corruption to be widespread in the UK, while the EU average was 74% on that question. The UK result of <1% was the best in Europe. Sweden was another country with the fewest problems with corruption. Interestingly both the UK and Sweden both have laws on transparency and openness.

In some countries there was a relatively high number reporting personal experience of bribery. For example, in Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Lithuania, Poland, and Romania between 6% and 29% of respondents said they had been asked to pay a bribe, or had been expected to pay one, in the past 12 months.

Four out of 10 of the businesses surveyed described corruption as an obstacle to doing business in Europe.

Specifically, the report did not assess corruption within EU institutions. However, the EU has an anti-fraud and corruption agency, which has a budget of just €23.5m euros, which has concluded that about one-fifth of the EU's total output (GDP) is vulnerable to corruption, and there are significant problems surrounding the financing of political parties.

Europol estimates that there are at least 3,000 organised crime groups with sophisticated networks operating across Europe, with Bulgaria, Romania and Italy as particular hotspots. Some of these deliberately target EU institutions through things like VAT sales and grant fraud.

⁸ The Statements of Assurance reports on the work the auditors have done in examining the reliability and regularity of EU transactions.

There is nothing in the Auditors' report which should cause the UK to Leave the EU. Fraud and corruption in the EU is not going to change even if the UK leaves the EU. It is something which business just has to deal with. It is a nuisance but not a factor in deciding how to vote in the Referendum.

The European Union Army, Navy and Airforce

Many are claiming that the European Union has been the engine for peace in Europe for the last 70 years and therefore kept us safe. This is not true. Whilst EU and its enlargement might have provided the politics of peace, it did not provide the engine. From 1945 to 1990, the biggest threat to peace in Europe was from Russia. It was the allies in NATO who provided the engine by committing themselves to an arms and space race, staring bullet for bullet, missile for missile, at the countries of the Soviet Block across the Iron Curtain.

Further, those who claim that the continent has been free from war, conveniently forget about the Yugoslavian / Balkan Wars which ran for 10 years from 1991 to 2001 resulting in the death of approximately 140,000 people. These wars saw widespread genocide back on the continent once again. It was the armies and airplanes of NATO which ended the killings, not Europe.

Article 42 of the Treaty on European Union 2009 requires EU member states *"to act together in creating a common security and defence policy for the protection of its borders and for peacekeeping, conflict prevention and strengthening of international security"*.

Article 42 provides for substantial integration of the military of the nations of the EU; to create an EU Federal Army, Airforce or Navy. This will not happen overnight. It will not even happen quickly but it is the EU's declared course of travel. Inexorably, one day, left to the EU it will come. When this day comes, the EU will have created a weapon which history has proven to be so dangerous that we have to question the sanity of doing it again. Have we learned nothing from our history?

The UK government says that it would never cede its military to the EU and very many nations no doubt say the same thing, but this is not the way it would work. Instead, the EU Commission would very slowly start to establish its own military, just as it has done in establishing overseas embassies. Very slowly, gently and quietly it would build its own EU defence forces until they are of a size where they usurp the military powers of its individual member nations; for this is the way the EU Commission works.

This year we are commemorating the dreadful fighting at the Battle of Verdun and so, once again, World War I is in our minds. This war can be directly related to a series of national treaties each designed to create a defensive pact. In fact, they did exactly the opposite. A terrorist shooting in Sarajevo, which should have resulted in nothing more than a local skirmish, ended up with allies fighting a war which, at the outset, had little or nothing to do with them. The result was 17 million deaths and 20 million people being injured. 500 years of European history has shown how extremely dangerous large armies are in Europe.

Another lesson from history can be found across the Atlantic when in 1861 the eleven Confederate States of America decided to form their own country and break away from the union of the United States of America. It led to four years of civil war. Who is to guarantee that this new Federal Army of Europe will not be used against one of its member countries should they decide to break away in future? Would the UK really be free to have the debate on staying in or leaving the EU if it was under threat of invasion from an army controlled by 27 unelected bureaucrats of the European Commission?

As a nation we know, from our Northern Ireland experience, how insidious it is to have an army patrolling the streets to enforce security.

In respect of Article 42, it is important to know legally whether, at the Council of Ministers, it requires all countries to vote in favour of the use of the Federal European Army or whether the decision can be made by Qualified Majority Voting. Further, what involvement would the EU parliament have in the deployment of any military established under Article 42? As with very many things involving the EU, the legal issue is far from clear. If we could have a definitive ruling from the European Court of Justice that any EU military force created under Article 42 could not be used without unanimity of all member states, then that would provide a very sound reason to vote Remain for it is the one way to make sure that we never have the Federal European Army on the streets of the UK.

Without such a ruling, Article 42 remains uncertain, and in these circumstances it appears that, for the sakes of our children and grandchildren, the safest thing to do is vote Leave, although we have to do so in the full knowledge that this force might, one day, be used against us. Perhaps there was some merit in the UK's former foreign policy of making sure that Europe was permanently divided, as this makes her militarily weaker.

The European Union, Agriculture and Fishing.

It is often said that the Common Agricultural Policy ('CAP') was born out of hunger in Western Europe immediately after World War II. It is another of those incorrect myths surrounding the EU, for rationing finally ended in the UK in 1954, whilst the CAP did not come into effect until 1962. It was a feature of the Treaty of Rome signed in 1957 which established the Common Market. It was a fact that each of the six founding members of the Common Market, for domestic political reasons, intervened strongly in their nation's agricultural sectors, and this was providing an obstacle to the objective of the free movement of trade. The CAP was the solution.

The CAP is often described as a deal between Germany and France, where Germany would help pay for French farmers in exchange for access to her market for goods. To a very large extent this explains why today, over 50 years and many reforms later, the EU currently spends 39% of its total income on the Common Agricultural Policy whilst the EU agricultural sector accounts for only 1.5% of the EU's GDP, and it only employs 5.4% of the total population. By anyone's standards this is totally disproportionate.

In 2010, there were 12.2 million farms in the EU encompassing 176 million hectares and these accounted for approximately 40% of the total land area. The structure of farming in the EU is made up of two contrasting types of farm: on the one hand, the vast majority of farms cultivate a relatively small area, and on the other, there are a small number of farms that cultivate much larger areas. Around four fifths (80.3%) of all farms in the EU have less than 10 hectares of utilised agricultural land and together these smaller farms cultivate some 12.2% of the utilised agricultural land. By contrast, only 5.9% of the farms in the EU cultivate 50 hectares or more of land for agricultural purposes. However, these larger farms collectively cultivate two thirds (66.6%) of the total utilised agricultural area.

80% of CAP payments goes to just 25% of the farms which show that it is primarily a subsidy for the mega farms and vast agro-industrial conglomerates at a cost to the middle classes and the poor, and with 2% of farmers leaving farming every year the consolidation of agriculture into the power few

continues apace. Between 2005 and 2010 the average farm size in the EU rose from 11.9 hectares to 14.5 hectares with the largest farms growing the most.

By guaranteeing a grant per acre the EU is, in effecting, underpinning the price of agricultural land even if it produces nothing!

The cost to the EU of managing the CAP is around €9 billion per annum, out of the total 2014 CAP budget of €57.8. This equates to around €700 per farm.

It is a fact that 55% of all UK farm income comes from the EU in the form of subsidies. It is however money which the UK has paid into the EU coming back to this special group of people. It is interesting to note that the average EU farm support per hectare in Italy is £236, in Germany £232, in France £207, and in UK £155. At the low end, France gets 33% more per hectare than the UK and at the high end Italy gets 55%.

There are undoubted advantages of the CAP. It gives the EU food security and enables its population to have food at reasonably stable prices. Further, the countryside is an important public asset and the CAP payments to farmers allows them to protect the rural environment and support rural communities, albeit that the public cannot go on the land it effectively pays for otherwise than by way of dedicated footpaths.

On the downside, the CAP has a history of leading to wasteful overproduction of food either forming surplus food mountains, or left to rot on the fields, or worse, is dumped on developing nations undermining the livelihoods of the farmer in those countries, and causing very many to have just a subsistence level of income.

Sadly, one can only conclude that the CAP shields EU farmers from competition and hinders the development of more modern and efficient farming methods.

It is also a fact that, if the UK were to vote to leave, UK farmers who wish to export to the EU would still have to continue to meet EU rules and deal with its bureaucracy. However, this is not all of them. Many farmers are small family businesses serving local markets. It is also the case that the money which the UK sends to Brussels and then comes back to UK farmers, could go directly to UK farmers by way of a direct subsidy.

The EU remains determined that its spending priorities should be focused on one small economic sector, although it does expect the percentage that the CAP budget takes to the overall EU budget to fall each year. It has been unresponsive to proposals to increase the amount and use of the Social Fund so as to address the genuine plight of people suffering under the effects of its free movement of labour policies. This hardly makes the EU fit for purpose in the 21st Century.

Food security is vitally important to the UK's future but with worldwide over production in food it is hard to see that the Common Agricultural Policy provides a good reason to vote to Remain in the EU and, given its immoral effect on much poorer countries and the bureaucracy involved, it probably provides a good reason to vote Leave

The Common Fisheries Policy ('CFP') was introduced in the 1970's and last updated in 2014. The EU believes, probably rightly, that left to their own devices fishermen will catch too many fish, eventually wiping out the fish stocks. The CFP is therefore designed to manage fish as a common EU resource. It sets rules for the protection of fish stocks and the management of fishing fleets which are designed to stop damaging competition.

The objective of the CFP is to make EU fishing industry sustainable by making sure that the fish population size and productivity over the long term is not threatened. In theory, it gives all European fishing fleets equal access to EU waters and fishing grounds and allows fishermen to compete fairly. To this end the EU manages a €4.3 billion European Fisheries Fund which provides a minimum price support mechanism and money to implement reform and modernization. All of this is eminently sensible; except: -

Despite 45 years of the CFP, the EU Commission estimate that the EU fleet is still at least double its optimum size. A report, produced jointly by the World Bank and the UN Food and Agriculture Organisation (FAO), estimate that three out of four of the major commercial stocks within EU water are being dangerously overfished.

The EU quota system favours big industrial trawlers while penalizing, and in the process decimating, the small, sustainable inshore fishing communities like those in the UK who are denied quotas. Further, quota hopping within the EU enables big commercial fisheries from countries like Spain and Denmark to grab the majority of others stocks.

What is probably worse are the CFP rules which force fishermen to dump billions of dead fish back into the sea because they are too small or the wrong species. An FAO study estimates discards in the North Atlantic at 13% of the total catch, with even higher rates off the coasts of Scotland and Ireland. This is an absurd waste and has to be changed.

Equally distressing is the EU, using the European Fisheries Fund, to pay the governments of poor countries to opening up their waters to European factory ships. The EU fleet now takes around 40 percent of its catch by weight from the waters of these “partner countries” and in the process the livelihoods of 1.5 million small fishermen in West Africa are being threatened.

The CFP has, over the years, decimated the UK fishing fleet. It has not worked in its best interested and is not working as it should. I note the UK fishing industry is lobbying hard for a vote to Leave the EU. It is hard to find reasons not to support their specialist view.

The European Union and Science

The Royal Society points out that British institutions have tended to do rather well from the EU science funding pot in recent years, getting more grants in 2014 than any other country except Germany. In the 2007 to 2013 financial framework, official figures suggest that the UK contributed €5.4 billion euros to EU research and development funds and received back €8.8 billion. A gain of €3.4bn over 5 years, although it has to be remembered that overall the UK is a net contributor.

My very first experience of dealing with Europe was in 2003 when my firm was a placement agent for a venture capital fund specialising in investing in technology start up. They had a series of contractual relationships with some UK universities to spin out and commercialise their technology. On behalf of their new fund, we sought a large cornerstone investment from the European Investment Bank (‘EIB’) i.e. to get some of the UK’s own money back. The presentations went well and there were good indications of support from the executive officers who had completed all their due diligence. At the final meeting to approve the investment, we were turned down, not on grounds of lacking in merit but, as we found out later, it was a way of the EIB telling the UK that it did not approve of the UK’s involvement in the Second War in Iraq. It was an entirely political rejection. In doing so, the EIB deliberately hindered the ability of the UK to commercially gain from its research and development skills base.

It is important to note that The European Space Agency (ESA) is not part of the EU. It is a separate intergovernmental organisation dedicated to space research with its headquarters in Paris. It has an annual budget of €5.25bn and a worldwide staff of about 2,000. The UK is strong in the space sector and therefore it is important to note that the UK relationship with ESA would not be effected if it were to vote Leave.

What is known is that the EU prefers to support large and academic based research projects, whereas the UK is known world-wide for achieving a lot from a little.

The important thing about UK research is for its doors to remain open to the best and brightest brains to work here. Talent attracts talent. Accordingly, if the UK were to adopt a points-based immigration policy, then there would be no risk of this talent not being allowed to come, just as it is able to get into the United States.

It is hard to see that scientific research on its own provides a compelling reason to vote either Remain or Leave.

The issues of Scotland and Northern Ireland in the European Union referendum debate.

Another reason being given for remaining in the EU is the possibility that, if the United Kingdom overall were to vote to leave, whilst the Scots voted overall to remain, then this would naturally lead to a second Scottish referendum on whether it should leave the UK so that it can re-join the EU in its own right.

Whilst most people in England would be sad to see the Scots leave a union which has served both countries so well for over 300 years, it is a fact that many people in England also became upset as to the nature of the debate in Scotland during the 2014 independence referendum campaign. It seemed to many to have a viciousness about it, verging on intimidation for those who were campaigning to stay part of the United Kingdom. There were elements of behaviour more likely to be found in the elections in a corrupt third world country than should be found in a civilised and democratic state. Such was the unpleasant taste of intimidation, and vitriol of hatred expressed against the English that, at the end of the campaign, if England had been given a vote on whether it wanted Scotland to stay or leave, my heart would have probably overruled my head and I would have voted them out.

It has to be remembered that the backdrop to the whole Scottish referendum campaign was the fact that a fundamentally socialist Scotland was upset that the Conservative Party comprised the majority of MPs in the House of Commons. Much of the independence campaign was directed at UK government policies which the SNP⁹ objected to. Somehow, in the battle, the SNP forgot about all the years that the MPs from Scotland's Labour Party had kept in place a socialist government in power at Westminster against the will of the English. Any future referendum will be fought against the political landscape of that time and that is impossible to predict.

When the Scottish referendum took place in September 2014, it was against a backdrop of oil having a price in excess of \$100 a barrel. Today it is trading at around \$40 a barrel. At oil's top price, politicians, arguing for independence, could pretend that Scotland would be financially viable. At this lower price, it is certainly not. In 2014-15 Scotland's public spending was almost £15bn more than its tax revenue. As an independent country, it could not afford to maintain such a budget deficit.

⁹ Scottish National Party

Further, if Scotland were to vote to leave the UK and join Europe it would have to give up the £ sterling and join the Euro. This currency has very many detractors which will no doubt influence the debate as people choose certainty, with the currency they know, and decide to stay with the UK.

Then, as a new member to the European Union, Scotland would have to charge VAT on clean water at a rate of 5% whereas currently, because it is part of the UK, water is zero rated; a cost which I suggest socialist Scotland will find unacceptable.

In addition, if Scotland were to choose to leave the Union, then England, unless it could lease the base in the Clyde, would have to remove its Polaris nuclear submarine fleet from Scottish waters. This will cause a significant loss of jobs. This will be both difficult and expensive but not impossible for the UK.

Based upon the above, it is my judgement that it is not a foregone conclusion that Scotland would vote to leave the United Kingdom in any second Scottish Independence referendum, should the UK vote to leave the EU. I reject the argument that a vote to Leave Europe is also a vote which will see the break-up of the Union. It is, at best, a peripheral point and provides no reason to vote one way or the other.

Further, the population of Scotland is circa 5.34 million, Northern Ireland is circa 1.86 million and the population of England and Wales is 57.6 million. Given the significant population weighting in favour of the rest of the Union as compared to Scotland, it means, even if the Scottish question comprised more than a peripheral point, it can only be given little weighting in any decision to Remain or Leave the EU.

The UK leaving the EU may adversely affect the Northern Ireland peace process. Whilst the underlying social causes (housing, jobs, poverty) which bred terrorism in the first place, have not been eradicated, they have been hugely alleviated. It is a fact that, for very many years after the appalling social injustice had started to get addressed by heavy inward investment, terrorism in Northern Ireland continued; simply as a guise for criminality. Gerry Adams, Martin McGuinness and their cohorts are now so entwined in the political process that they will not want to go back. Further, the relationship between Dublin and London is now strong. I do not see that the UK leaving the EU will have such an adverse effect on the peace process as to provide sufficient reason to vote Remain.

The UK, the European Union and the important matter of Russia.

Finally, we cannot consider any plans regarding the future of Europe without thinking about Russia for up to the Urals, and some way beyond, Russia is as European as any other European country. It, too, has a strong Judaeo-Christian culture. In 2000 President Vladimir Putin said "I cannot imagine my country isolated from Europe. We are part of European culture."

There are two remarks of Winston Churchill which are worth remembering when considering Russia as they remain pertinent.

In 1939 he said that "Russia was a riddle, wrapped in a mystery and inside an enigma". He went on to say: "I cannot forecast for you the actions of Russia except that it will always act in its best interest."

In 1946 he said: "there is deep sympathy and goodwill in Britain towards the peoples of Russia and it resolves to persevere through many differences and rebuffs in establishing lasting friendships. We welcome Russia to her rightful place among the leading nations of the world. We welcome her flag upon the seas. Above all, we welcome constant, frequent and growing contacts between the Russians and our own people".

Russians are a very proud, emotional, but insecure, people. They know the harshness of its winters and the strength which they need to survive. It is from these characteristics that the Russian people admire strength in their men and demand it from their leaders. Russians are prepared to sacrifice democratic freedoms if their country is strong and it is proudly represented on the world stage.

Russia's strength of character, which the British people so admire, gives rise to problems each time the Russian people choose to be subservient to their leader; for the British people have a fundamental dislike of dictators, or a compact of oligarchies operating through party privilege, or political police, who exercise power without restraint and regard to human liberties on it peoples. Not only is it an anathema to the British sense of fair play, but their history lessons have taught them that all the big wars in Europe have been as a direct result of dictatorships.

Let us be in no doubt, the deaths of Alexander Litvinenko¹⁰, Boris Berezovsky, Boris Nemstov, Anna Politkovskaya Kovskaya, and Sergei Magnutsky and the jailing of Mikhail Khodorkorsky give a reasonable indication as to what a very dangerous place Russia has become under President Putin's leadership. It is as though the country has learned nothing from its Stalinist history.

The UK has only ever argued with Russia when they have sought territorial expansion, whether this be into the Crimea (both historically and now), or Finland, or its post war occupation of Eastern Europe, its invasion into Afghanistan and South Ossetia or its recent deliberate destabilisation of Eastern Ukraine. In fact, in the wars against Napoleon, Kaiser and Hitler, Russia and the UK were allies. Should we not be trying to make 'being friends' our default position rather than, as we find ourselves today, with Russia and the UK sadly not natural bedfellows.

During President Mikhail Gorbachev's era the UK had hopes for Russia. During President Boris Yeltsin's era the UK had the same feeling of static, embarrassed hopelessness as there was in Russia. President Vladimir Putin's era started with great hope but now there is a feeling of both despair and fear as he appears to have moved from a position of warm ambivalence towards the West, returning to its cold war ways.

We now have, for example, Russia deliberately flying its military bombers and fighters to test UK defences systems and the Baltic States of former Soviet Union having their servers hacked into by Russia in denial of service attacks. Not only is this unnecessarily provocative; it is also tedious and not becoming of a country which seeks to be respected on the world stage.

One cannot help but notice the difference between the constructive days of President Medvedev's leadership and now. Further, at a time when, under President Obama, the US has been withdrawing its forces from overseas wars, one would have expected a warming of relations between these two countries, but it is not happening. Why not? To understand this, we need to consider both President Putin and the history of East-West relations. There are enough books on this subject to fill a library so I will restrict my comments to those which I believe are pertinent to the EU debate.

President Putin was an officer in the KGB in Dresden, East Germany when the Soviet Union disintegrated. This was not a senior posting and, since the KGB was noted for making promotions

¹⁰ The UK gets very cross at the fact that Russia will not extradite the two Russian men the UK believes are responsible for killing Alexander Litvinenko which, because of the method used, they claim was state ordered. This completely fails to understand Russian history. If you, or your parents, had lived in a country which had been through the Stalin Great Terror of 1936 – 1938 but in effect remained in place until his death in 1953, a period of 17 years, then it is part of your psychological culture not to give people up to the state unless your very own survival depends upon it. Realistically, it is not going to happen. It would be seen as a national betrayal unless there is some international political advantage in doing so. I say this to amplify the point that the UK needs to understand Russia very much more.

based upon merit, one can reasonably assume that he had not been earmarked for high office. In fact, his rise to becoming President was completely down to luck. It is therefore true that when he came to office in 2000, he did so without knowing what he wanted to achieve. Today, it is very different. There is no question that he seeks to make Russia great again, and to him this means Russia being respected on the world stage, an equal amongst the great nations of the earth. It is what he is all about and it is all any nation asks of its leaders. It is fair to say that President Putin has not proved himself to be a great strategist, but he does have an outstanding opportunist instinct. This makes him very formidable.

The first time Europe saw Putin use this opportunistic instinct in a direct and powerful way was in Russia's use of its gas reserves as a political weapon against Europe, and particular, its former satellite countries like Ukraine, Belarus or Moldova. It was this which, sadly, started to re-establish the former historical distrust between Europe and Russia.

When President Putin first came to power, his first battle was the war in Chechnya. After Russia's defeat in Afghanistan it was not a war he was going to allow Russia to lose. His next big battle was against the new Russian oligarchs for it was only through their defeat, or neutralisation, that Putin was assured political survival. A survival instinct is a requirement for Russian politicians. The oligarchs had both the money and the contacts to replace him. To deal with the oligarchs, Putin deliberately took huge centrist powers involving the federal governments, the courts and parliament. As a result of what happened investors decided that, with its laws, its uncertain tax arrangement, its courts and corruption, Russia was no longer a safe place to do business. This resulted in huge unplanned outflows of capital from Russia starting in about 2011.

By the time of the Sochi winter Olympic games in February 2014, and as a result of the outflow of capital, the Russian economy was already in rapid decline. As a result, Putin badly needed these games to be his domestic showcase demonstrating to the Russian people the might of Russia on the world stage. When the leaders of Canada, France, Germany, the United Kingdom and the United States refused to turn up to the opening ceremony, President Putin took this as an insult both to Russia and to him personally.

Before the Sochi games, there was talk amongst the governments of the former Eastern Bloc countries, in particular Ukraine and Moldova, that immediately after the Sochi games, Russia would be forcing them to join the Eurasian Economic Union ('EEU') alongside Armenia, Belarus, Kazakhstan and Kyrgyzstan as an alternative to their seeking membership of the EU. Russia has always used both energy and access to its markets to influence domestic policies in these countries and they expected this to happen again. These countries also feared some military or political insurgency but did not know what form it might take.

It is important to understand why the EEU is important militarily to Russia and to do this I will share with you what happened in May 2005 when I was in Moscow. I was invited to stay to have lunch with the Mayor of Moscow. It was not the cosy informal event I had been led to believe, but a refectory dinner with about 100 people. Sitting either side of me were my hosts but directly opposite were people I did not know. As I climbed over the bench seat to sit down, the person opposite me suddenly said, "How dare he! How dare he!" My immediate reaction was to look around, for I had no idea he was addressing me. "Doesn't he know that we've been invaded three times?" the man continued. I knew immediately what he was talking about. The weekend before, President Bush, who had been in Moscow for the commemorative services in Red Square for the 60th anniversary for the end of World

War II had publicly lambasted the Soviet Union for its annexation of the Baltic States and continued occupation of the countries of Eastern Europe until the Berlin Wall came down. The man opposite was clearly very angry saying, "doesn't President Bush realise that Russia needs these countries as their buffer states to stop another invasion?" "I know," I replied, adding that on each occasion we'd been their allies. In response, I was told that the UK only entered World War II after it had been won by Russia. My efforts in pointing out his historical inaccuracies, and the efforts the UK made to help Russia, fell on deaf ears. It was not an argument I was going to win for the history lessons taught in Russia are unsurprisingly not the same as those taught in the UK. What it did was explain why Russia felt it needed to stay in occupation of countries like Poland, Belarus and Ukraine and why there remains a deep distrust of Europe and its objectives.

The EU has, as one of its policies, the integration of the military forces of its 28 nations. Russia does not want EU forces on its borders, for example in Belarus or Ukraine. The EEU is Russia's alternative in an attempt to stop this from happening.

It is also a fact that, in Europe, we seriously underestimate Russia's fear of what, President Eisenhower referred to, in 1961, as the US Industrial-Military complex. *"The conjunction of an immense military establishment and a large arms industry. We must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex."* he said. *"The potential for the disastrous rise of misplaced power exists and will persist,"*

To very many Russians, it seems as though, too often, it is the US Industrial-Military complex which controls the Government and not the other way around. As President Putin points out, since the beginning of the 21st Century, and him coming to power, there have been two examples of this US Industrial-Military complex at work. Firstly, the American War in Afghanistan. The task was simple. Capture Osama Bin Laden, and his associates, for their part in the 9/11 Twin Towers attack and expel al-Qaeda. The Taliban who were controlling Afghanistan refused, so in 2001, the US invaded the country to de-seat the Taliban from power. So started the longest war in which the US has ever been involved.

The second example is the 2003 Second Gulf War which, we now know, had no strategic justification, was illegally entered into, and so destabilised the Middle East that we now have a major crisis with ISIS and Muslim fundamentalists.

To the UK's disgrace, it was involved in both of these wars; albeit mission creep did provide some justification for it being involved in Afghanistan. Today, there are about 3 million girls in education in Afghanistan whereas before the start of the war it was less than 150,000.

Russia points to these two wars, and the 13 years of earning capacity for the US Industrial Military Complex, and is justifiably worried.

The 2007 film Charlie Wilson's War is further used by Russia in evidence to support its fear of the US Industrial-Military machine. This film, which did not go on general release in Russia, tells of the largest covert operation in history and how the Mujahedeen were secretly supported with \$600 million a year from the US, aided by Saudi Arabia on additional \$ for \$ basis, to fight Russia's occupation of Afghanistan. The Russians eventually withdrew in 1989 after having been there for 10 years. Russia points to how the US boasts about how one congressional member, on the defence spending and covert operations committees, was able to get this amount of money authorised to be spent in secret.

Further, it highlighted the extent of the US's covert operations. This was a lesson which the Kremlin was determined to learn, as evidenced by the way that they later occupied the Crimea and East Ukraine.

In further frustration, Russia also point out how disingenuous the West has been in its dealings with them since the Berlin Wall came down in 1989. The US missile defence system is a case in point.

In 2002, the USA started negotiating with Poland and the Czech Republic for the deployment of long-range missile defence interceptors and a radar tracking system in these countries and at a time when Russia was economically very weak. According to the US government, the missile defence system was intended to protect it against future missiles from Iran. Naturally, Russia strongly opposed the system and proposed sharing a base in Azerbaijan which Russia leases, but this was rejected, proving to Russia that the defence shield was equally aimed at them and not just Iran.

In April 2007, NATO's European allies called for a missile defence system which would complement America's missile defence system to protect Europe from missile attacks. Putin claimed that such a deployment could lead to a new arms race and could enhance the likelihood of mutual destruction. Nevertheless, in August 2008 the United States and Poland signed a missile defence agreement.

By 2009, there was a new President Barack Obama in the White House and a new President Dimitri Medvedev in the Kremlin. Good relations between these two men caused President Obama to announce the cancellation of the plan to put long-range missile defence interceptors in Poland and the Czech Republic. Instead, the US would use its warships and SM-3 missiles to provide a defence shield against short and medium range missiles. Following this change, Russian President Medvedev announced that Russia's surface to surface missile deployment in Kaliningrad would also not go ahead. The two deployment cancellation announcements were later followed with a statement by a newly named NATO Secretary calling for a strategic partnership between Russia and the Alliance, explicitly involving technological cooperation of the two parties' missile defence systems.

However, in 2010 Romania agreed to host US SM-3 missiles using an early warning radar station based in Turkey which became operational in 2015.

Those who remember the Cuban missile crisis of Oct 1962 will know how close we came to a nuclear war. History has shown that it was only a jammed flashlight in the hatch of the conning tower of a Russian submarine which stopped a conventional shooting war from starting; not knowing where it would escalate to. Part of the settlement of the Cuban Missile crisis was the agreement that the USA would decommission missiles placed in Turkey aimed at Russia.

The question we have to ask is why is NATO taking its defence capabilities close up to Russia's borders given its known feelings of insecurity? Isn't there something highly provocative and fundamentally hypocritical about doing this, given the stance that the US had against Russia putting their missiles on Cuba?

Russia also points to a whole host of issues when Europe and the West have been less than honest in their dealings with them. For example, agreeing with Russia that Kosovo would never be an independent nation and yet immediately upon its declaration of independence, the USA, and many European countries, recognised it as a country in its own right. If this is acceptable for Kosovo, then Russia argued that it should be free to help South Ossetia gain its independence from Georgia.

In February 2014, there was a revolution in Ukraine caused by President Viktor Yanukovich's refusal to sign an association agreement with the EU. Instead, he signed a loan and treaty agreement with Russia bringing more cries of corruption. This caused rioting and shooting on the streets of Kiev which in turn saw the Ukrainian President ousted. Russia refused to recognize the new interim government, calling the revolution in the Ukraine a coup d'état. President Putin, still smarting over the West's treatment of him at Sochi, saw this as an opportunity to give the West a "bloody nose" for very little cost through the annexation of the Crimea, a place which, by treaty, Russia was allowed to be. It was also an important nationalist and military strategic prize which was certain to increase his national popularity.

What Putin did not expect was the increase in Russian nationalism in eastern Ukraine as a result of retaking the Crimea. The movement of unmarked Russia militia (little green men) into Ukraine, and the war in the Donesk region, which resulted in the shooting down of the Malaysian civilian airliner, was an unintended consequence of taking the Crimea.

Putin knew there would be sanctions from the West as a result of Russia's occupation of the Crimea. In advance he had wisely set up a major contract to supply China with oil so he was fairly confident that, with this income, and its reserves, Russia could ride out these economic problems. What President Putin did not foresee, and neither did anyone else, was the sudden collapse in oil and commodity prices. This, coupled with the sanctions and the earlier flight of capital, has caused Russia huge economic difficulties domestically. Putin's response has been to blame the West. The Russian state, controlling the majority of the media outlets and being very prolific on the internet, has created deliberately a nationalistic agenda to justify the new hardship at home. As history teaches, nationalism can be most dangerous when in the control of one man. Further, once out of its box, nationalism is very hard to put back, particularly when your power base is dependent upon it.

President Putin's next opportunistic moment on the world stage came with the growth of ISIS in Syria and Iraq. There is no love lost between Russia and Turkey. They have a long history of fighting each other going back into the 16th Century. Turkey is also a member of NATO. Russia needs Syria as its ally on Turkey's southern border for its own defence. To this end, it leases from the Syrian Government the Tatar Sea base on the Mediterranean Sea and the airbase at Latakia. These bases extend Russia's capabilities deep into North African and Southern Europe and allows it to attack Turkey from the south if it needs to. Russia is not interested, per se, in President Al-Assad in Syria. They never have been. They are only interested in having a president in that country which is an ally of Russia.

With a large Muslim population in some of its regions, Russia has a very good reason to be fighting ISIS for, as they found in Chechnya, radical Muslim fundamentalism is dangerous. However, it was obvious from the outset that Russia was never going to allow any West backed free Syrian army to remove Al-Assad. If the West wanted Al-Assad out of office, and in front of the UN Court in The Hague for crimes against humanity, then it was Russia who was going to have to select and approve his successor.

For the US, UK and France not to realise that Russia held the trump card, and to work with Putin in this respect, was a big mistake for it was obvious that, by not involving him as an ally, it would make the area a much bigger proxy war than it had already become; except after the annexation of the Crimea no one from the West was prepared to trust Putin.

We now have a situation where Iraq, Iran (both Shia Muslim countries) with Russia and China are supporting the Syrian Government and the USA, UK France, Saudi Arabia (Sunni Muslim) and Turkey

are supporting the Syrian rebels. Syria's majority population is Sunni Muslim whilst Al-Assad is an Alawite which is a branch of Shia Islam.

By refusing to recognise Russia's strategic interest in Syria, the West now gave Putin his next great opportunity. On the pretext of fighting both ISIS and the free Syrian army, Russia targeted just the free Syrian army which it bombed and substantially degraded. In the process it strengthened Al-Assad's position. This has had no political cost to Putin internationally; instead he had much to gain. Domestically his position has been enhanced as the ISIS terrorist bombing of the Russia Metrojet plane over Egypt, in September 2015 and killing over 200 people, allowed him to justify to the Russia people Russia's involvement in Syria.

This was then followed in December with Turkey (a member of NATO) shooting down a Russian military jet causing Putin to declare at the start of 2016 that the "West is his main enemy" and "NATO is a threat to Russia."

There has been a catastrophic failure to reset the relationship clock with Russia at the start of the 21st century. The UK must accept its share of the blame for this by working with the US Industrial Military Complex on two separate invasions, and by allowing NATO and a militarised EU to go right up to Russia's border.

Russia's military budget is the highest in Europe but it is still only 1/7th of the US military budget. Putin originally ordered a 33% increase in military spending for 2015 but budgetary pressures and a collapse in the value of the rouble reduced the effective spend to \$48.8 billion down from \$63.9 billion in the previous year.

In the above, I have tried to share, in short form, an explanation of what has happened in Russia over the last fifteen years. It is not to excuse them. However, on the other hand it is important to understand the view of those countries who were former members of the USSR and for this I need to share with you more anecdotes from my business trips.

In the early 1990's I was involved in an attempt to privatise the Moldovan wine industry. Many of the meetings were held in Bucharest. On my very first visit I was in a taxi on my way from the airport to my hotel. By way of general conversation, I asked the driver, "How is Romania, how is Bucharest?" I remember his reply clearly. "It's lovely to be free," he said, explaining that, during the Ceausescu regime, it had not been possible for parents to discuss political matters in front of the children in case they were repeated in school the next day and this resulted in their arrest. It was however a discussion with a businessman 10 years later who explained why he was so keen on Romania joining the EU. Access to its market was only a small part. "*It was*", he said "*essential to stop Romania being a pawn in the historical geo ambitions of Russia,*" mentioning to my surprise the Ribbentrop-Molotov pact in which Germany gave Romania to the Soviet Union as part of the deal which allowed Germany to invade Poland. "*Romania joining the EU is essential to its democratic freedom. Outside it, and Russia will continue to try and dominate us,*" he argued.

In May 2013 I was in Kiev, Ukraine on Kiev day. It was a day of national celebration when the women dress up in their national costumes with fresh flowers in their hair. It was a day of joyous national celebration. I was taken to an exhibition which commemorated the 1932-33 Ukrainian starvation caused by Stalin's confiscation of food. It resulted in 3.9 million deaths and 6.1 million birth defects. The exhibition also covered Ukraine's Second Starvation in 1946-47 when it is uncertain how many died of starvation, but it could be as high as 1 million people. I came away with an overwhelming

feeling that this exhibition was being used to reinforce a message to its children 'Ukraine Good, Russia Bad'. It reminded me of the slogan of the animals in Animal Farm, "four legs good, two legs bad".

The following day I was in Warsaw where I visited the 1944 Uprising Museum, built to commemorate the largest military effort of any resistance movement in World War II and which resulted in 85% of the city being destroyed. Hanging from the ceiling of the museum was a Wellington Bomber with RAF markings in recognition of the fact that it was the British aircrews which flew very dangerous resupply missions to the Polish resistance movement fighting in Warsaw. They were shot at by both Germans and Russian (our allies) anti-aircraft guns. Despite this, there is a very obvious anti-British feeling about the museum. Perhaps this is not surprising when you realise that in the middle of Warsaw there is a statue of Charles de Gaulle, but not one to Winston Churchill. The Poles have never forgiven the UK for what they see as its betrayal at the Yalta Conference¹¹. However, the anti-UK sentiment was nothing as compared to the anti-German and anti-Russian feelings which pervaded every gallery. The message was the same 'Polish Good, Russian Bad'.

As I left the '44 Uprising Museum, it dawned on me; for many of the countries of Eastern Europe the Second World War did not end in 1945, as it did in the UK, but 44 years later when, on 9 November 1989, the Berlin Wall came down and Russian dominance of the Soviet Union ended and their countries started to become free again.

As the UK considers its future in Europe, we have to recognise that for 12 countries, plus half of Germany, which are now in the EU, (Bulgaria, Croatia, Czech Republic, Estonia, Finland, Latvia, Lithuania, Luxembourg, Poland, Romania, Slovakia, and Slovenia) Russia has been their occupier with little love lost and many animosities still remaining.

I think Russia's stance towards the West and the West's stance toward Russia are both very worrying. I do not believe it has yet got to a danger point level. Somehow we have to find a way for the UK to talk, not just to Putin, but to the whole of the Russian people, for we like being friends.

My assessment is that within the EU there are too many historical agendas against Russia which do not help the Anglo-Russian relationship. I do not believe we have, or will have, sufficient voice to influence the EU's relationship with Russia in the short or medium term. The UK's commitment should remain with NATO where, as a nuclear power and with a seat on the security council of the UN, it has a far greater influence.

Russia needs an honest intermediary; someone who is prepared to take the time and make the effort to listen to and understand them. Russia needs someone it respects to tell them the contrarian view. For the UK, the cold war ended 25 years ago. It is now in a good position to be, if not Russia's ally, its friend. For this reason, I think the world will be a safe place if the UK leaves the EU 'gang' and the UK sought a new relationship with Russia outside of it.

Finale - my wish for Europe

Jean-Claude Juncker, President of the EU commission, said "whoever does not believe in Europe, who doubts Europe, who despairs of Europe should visit the military cemeteries in Europe."

¹¹ The feeling of betrayal held by Poland against the UK is unfairly held. Records in National Achieves show that Churchill contemplated waging war against Russia starting on 1st July 1945 to win back Poland and the other Soviet occupied states. The military assessment was that the outcome was uncertain and in any case would take a very long time. Further, Great Britain was economically, militarily and politically exhausted. The US were essential in any continued war against Russia and they were not prepared to give it their support.

I have walked the US cemetery at Omaha beach, joined the sun down service at the Menin Gates in Ypres and visited the graves at Tyne Cote. I have visited the death camp at Auschwitz-Birkenau in memorial of those that died there. I cannot speak for the dead mentioned on these memorials and in these cemeteries. I can only consider the Europe I would like, in the hope that it would have been in their dreams too.

I want a Europe where the people are free and not ruled over by the few. A Europe which is accountable to its peoples and not its technocrats. A Europe which is open and transparent and not secret. A Europe which is fair and equal, not a place where the rich get richer and the poor poorer. A democratic Europe where those in charge are elected and can be voted out. A Europe where genuine fears are listened to and addressed. I would like a moral Europe which does not do immoral deals with despotic leaders for expediency or convenience. I want a Europe which above all is caring. I don't believe the EU is providing these things, nor can it be changed to do so. I will therefore be voting Leave on 23th June 2016. If you have got as far as reading this, I urge you to do the same.

Charles Bunker

7th April 2016

About the Partism Foundation

Partism is a philosophy which believes that individuals, businesses, corporations, governments and nations operate more efficiently, effectively and fairly when in an active, caring partnership.

The Partism Foundation researches, debates and promotes policies and ideas which accord with the Partism philosophy.

The Partism Foundation has no political allegiances or alliances. It is politically party agnostic.

Definition: A partnership is an arrangement in which two or more parties co-operate together to share a common task, to achieve their shared goals and to advance their mutual interests.

Further information on the Partism Foundation can be found at www.partismfoundation.org

Partism in international relations

The world is truly a global village. A person can visit all continents in less than 72 hours and in each continent buy goods designed, developed and produced in each of the other continents. With electronic communication, a thought or idea can be shared with millions of people in seconds. Bad bank lending in one country can bring down the banking system in another. A bomb prepared in one country can be deployed in another and exploded from a third through the press of a phone button. In a world where a missile can travel 3,000 miles in minutes to wipe out a city and destroy its population, home safety can no longer be assured through the control of your neighbours' lands.

Today, a country's best defence is through honest and fair international trade and shared security intelligence. It is through working, investing and playing with your neighbours that economies are strengthened, health services improved, poverty reduced and the causes of armed conflict abated. Yet, contrary to this self-evident truth, there is a global resurgence in nationalism driven, once again, in large part by unfairness and dishonest dealings.

It vitally important that the Partism Philosophies of care and fairness are indelibly forced into national psychology and international relations. For this reason, the Partism Philosophy has an important role to play in international relations and in sustaining world peace.

About the author

Charles Bunker is a chartered accountant. He was formerly head of Corporate Finance at a top ten international accountancy practice before founding Kerburn Rose in 1990, a corporate finance house, where he specialises in raising money for companies and takeovers and mergers. Charles has been a director of several London Stock Exchange fully quoted and AIM quoted companies. Charles was active in Conservative Party politics until he resigned in frustration at which point he founded the Partism Foundation as a result of his profound belief in partnership, co-operation and collaborative working.

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