

Transcript

Why a Eurosceptic Should Vote to Remain

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I am not known as a great supporter of the European Union. Many of my views were formed during the searing experience of our departure from the Exchange Rate Mechanism in 1992. As the leader of the Conservative party in the late 1990s I was at the forefront of the campaign to keep Britain out of the euro.

I gained some notoriety for saying that the euro would become "a burning building with no exits". I called, in a speech in Budapest, for a much more flexible European union, able to accommodate multiple national differences and opt-outs.

As shadow foreign secretary under David Cameron's leadership, I strongly opposed the Lisbon Treaty and called for a referendum on it. The failure to hold such a referendum has led directly to this referendum on EU membership this year.

As Foreign Secretary in the coalition government I vetoed the proposed establishment of an EU military headquarters. And as a further brake on future integration, I introduced into our Parliament a bill which became the European Union Act 2011, requiring a referendum of the British people – yes, another referendum – if any further powers or competences are transferred from the nation state to EU institutions.

None of my views on these subjects have changed. I remain a critic of many aspects of the way in which European institutions work. My four years as Foreign Secretary did nothing to diminish my euro scepticism.

But holding these views as I do, I have never believed it would be right for Britain to leave the European Union. My slogan in the European elections of 1999 was "in Europe not run by Europe" – perhaps the only unequivocally successful slogan I ever had as Leader of my party. And everything I saw of the world in my time as Foreign Secretary leads me to believe that there are important reasons why even those of us with critical and sceptical views of Europe should cast our votes to remain in the EU on 23 June.

There are three broad reasons why I come to this view. The first is quite simple: that a decision to leave any organisation is quite different from being critical of it. Many people will be unhappy with a business or organisation in which they work, or a town or city in which they live. If they cannot improve things, they may well decide to leave but it is common sense that their decision requires a coolheaded assessment of what the alternatives are and whether the need to leave outweighs the risks of doing so.

This will be true for any individual leaving a job or moving home. Of course, some people might decide to wander the world for a few years until a good alternative turns up, but that option is hardly open to a nation state depended on by 65 million people for their security and their livelihoods.

All of us in the United Kingdom must therefore weigh carefully the risks of leaving. For reasons I will come to, I believe the risks, to jobs and prosperity, and to the structure of the UK itself, to be considerable. We are entering an age in which the world is subject to greater political and economic risk than we have experienced in recent decades. To add to those risks at a time of uncertainty without any clear idea as to what the alternative plan might be, is irresponsible and potentially dangerous. It is not sensible to do that unless it is, for some other reason, essential to do so.

That will bring me to my second reason: that those of us on the Eurosceptic side of British politics have actually won most of our battles, greatly reducing any need to leave the European Union. Our relationship with the EU is far from perfect, but it is clear we are never going to join the euro or be required to join the Schengen zone. We have exercised our opt outs from areas of criminal justice cooperation, are not part of the quota scheme for asylum seekers, and now have additional rights and protections negotiated by the Prime Minister in February.

If we had lost these battles we might well have needed to leave the EU, but because we won them we are able to have the benefits of membership without most of the drawbacks. It is our persistent and successful euroscepticism that has resulted in many of our demands being met, and made it both possible and preferable for us to stay in the European Union.

My own views on these issues have not changed but the third reason I will advance today for remaining in the EU is that while we have been discussing all these issues over the last 20 years the world has changed around us. While we have been busy containing the danger of being dominated by European institutions, new dangers have arisen which are serious threats to the collective security and prosperity of Western nations.

The greatest danger now and in the coming decade is the division and splintering of the West. For reasons I will set out, Britain leaving Europe could intensify that danger.

Overall, the extent of the risks of leaving, the strength of the protections secured by the UK, and the danger of the West dividing and turning in on itself add up to a powerful case for remaining in the EU. In expanding on each of these points, I am not seeking to exaggerate any fears.

We can say with confidence is that some events are much more likely to happen, based on everything we know and on our own experience. That is certainly true of the risks of leaving, which are extremely serious.

The economic risks have been thoroughly set out by a wide range of respected organisations. And in addition to the sheer weight and near-unanimity of these warnings, we should be able to use our own good sense and knowledge of the business world.

Britain is one of the top destinations in the world for foreign investment. We draw in huge amounts of capital from savers and investors abroad. Indeed, we have to, because we also run a large current account deficit. A great many global companies choose to place their European headquarters here, partly because we combine advantages of tax rates and language with being fully in the European single market without being signed up to less attractive features of the European Union.

There are two things that such investors hate most: a prolonged period of uncertainty and definitely losing an advantage they have long enjoyed. Leaving the European single market would produce exactly those two things.

With fifteen days to go to the referendum, there is no sign of any agreement, consensus, worked-up proposal, clear scenario or even coherent idea about what we would try to negotiate if we left the EU, let alone how we would succeed in it.

Initially, it was suggested that we could have a free trade agreement with the EU along the same lines as Canada. But the FTA with Canada is now in its seventh year of negotiation and ratification, does not cover most of the economy, and does not allow cars or chemicals made to Canadian standards to be sold in the EU. After a few days, no more was heard of this.

Then we were told we could have a Stabilisation and Association agreement with the EU, otherwise described as "the Albanian model". But this is designed for countries aspiring to join the EU and involves commitments to a closer relationship. The idea of the Albanian model survived only a day or two.

With both the Canadian and Albanian models abandoned, we were next informed that none of this mattered because irrespective of such agreements we would have "access to the single market". This may be a reassuring phrase and is obviously true, but conceals the fact that we would have to pay for access

that we enjoy as of right today. Having "access to the single market" but not membership of it involves customs, tariffs, and product standards and regulations that would continue to be set by the EU without any British influence over them. World Trade Organisation rules permit tariffs of 5% on chemicals, 10% on cars, and 20% on alcohol, which of course includes Scotch Whisky.

The statement by Nigel Farage last night that we should expect to be like America and have tariffs levied on our exports showed a cavalier disregard for the need of our businesses to export in order to survive.

The consequences of this would be serious for small and medium-sized enterprises in Britain and very discouraging for investors who would indeed face the twin factors they detest: losing a previous advantage and not knowing for a long time how much of it they were going to lose.

Leave campaigners have tried to reassure people that all of this would end in a satisfactory negotiation: Germans, they say, would have no interest in imposing vengeful tariffs on the UK when they sell even more to us than we do to them. However, this bland assurance overlooks three crucial points.

The first is that the main problem for many businesses once we were outside the single market would not just be tariffs but all the bureaucracy of customs and the uncertainty of future tariffs.

The second is that Germany and the rest of the EU would have no incentive to strike an easy trade deal with any nation leaving the union because of the attraction it might hold for others. And some countries would have every interest in using the opportunity to persuade international businesses located in Britain, such as in financial services, to move their operations or headquarters.

The third point is that once the UK has served notice under article 50 of our intention to leave the union, the treaties provide for two years to negotiate the arrangements for withdrawal, extendable only by unanimous agreement. There would be far greater pressure on the UK, because of all the uncertainties surrounding investment decisions, to conclude the negotiations within the two years than there would be on the rest of the EU. As everybody knows, even from buying a house or a car, the side under the greatest time pressure is in the weakest negotiating position.

So there would be no confidence among businesses that their ability to trade and operate across Europe would be anything other than considerably disadvantaged by leaving the European Union. Indeed, the arrangements by which they trade with much of the rest of the world would be thrown into doubt at the same time because we would also be withdrawing from nearly sixty free trade agreements, that Britain

helped to bring about, with countries around the globe – all of which would lapse within two years of the use of Article 50.

Precise forecasts of the damage that would be done will vary greatly. But economics is more of an art than a science and a successful economy rests above all on confidence. The greatest risk is that confidence in the future would be seriously undermined. This is not something that can be laughed off by talking of Canada one moment and Albania the next. This concerns the job prospects of millions of young people across Britain, and it is not responsible, sensible, or rational to jeopardise those – and particularly to do so without any clear plan at all as to what the alternative to the current arrangements might be.

The idea that we can leave the EU without any serious economic consequences for jobs and businesses in Britain, and somehow have more money to spend on the NHS and other services at the same time is a total fantasy, and people need to know that before they vote.

Discussion of the economic consequences rightly dominates the current debate. There is, however, a second serious risk in the event of leaving the EU, which is structural and political. I argued in my column in the Daily Telegraph some months ago that if the UK leaves the EU, Scotland is more likely to leave the UK. None of us can know whether that would definitely happen. But we can have an informed opinion that it would be more likely to happen.

The evidence for this is that it was an important argument in the referendum of 2014 that Scotland outside the UK would be out of the EU as well. If we vote to leave later this month that argument will be instantly stood on its head. SNP spokesmen have been clear that this would be the pretext for a new referendum in Scotland.

I read carefully the responses that were written to my article on this subject. Their main point was the price of oil has fallen heavily since the time of the last Scottish referendum and that it should now be understood that an independent Scotland is financially unsustainable. Yet already the price of oil has increased again. No one at all knows what it will be in a month's time, let alone in two years. Who would bet their house on the future price of oil? Yet now we are being asked to bet the future of the United Kingdom on the price of oil.

I have also written about the dangers to Northern Ireland of the border with the Irish Republic becoming an external EU border. A large proportion of Northern Ireland's trade crosses that border, and a great deal of the EU expenditure in the UK supports the peace process on both sides of it.

I accept that Northern Ireland political leaders disagree over the risks of this. But when it comes to some of Britain's overseas territories there is relatively little disagreement within them about the seriously adverse consequences for them of the UK leaving the EU.

Gibraltar in particular would be left in a very difficult position, with no remaining obligation on Spain to maintain an open border. The result could be considerable financial and personal hardship for many people on the Rock, fiercely loyal to the United Kingdom. The Chief Minister of Gibraltar, Fabian Picardo has said “for Gibraltar the disastrous consequences of economic exclusion from our main trading bloc, in our case mostly the financial services, would be compounded by giving Spain a brand new opportunity to lock us out of the border”.

For different reasons, a representative of the Falkland Islands government has spoken of catastrophic consequences arising from a British vote to leave. This is because the great majority of Falklands exports go to the European single market. Additionally, the guaranteed solidarity of 28 nations, including those with strong historic links to Latin America, over British sovereignty over the Falkland Islands would be lost.

Like many British people, I believe passionately in the unity and future of the United Kingdom, including Scotland, Wales, and Northern Ireland and in our responsibilities to the people of British overseas territories. I do not believe that leaving the EU would be an act consistent with maintaining that unity or fulfilling those responsibilities. These are not mere details that can be overlooked in this campaign and thought about afterwards. They are serious enough matters for wars to have been fought over them even in our own lifetimes.

How ironic it would be if people thought that there was something patriotic or particularly pro-British about leaving the EU, only to discover that it led to the disintegration of our country and dealt a permanent blow to overseas territories who look to us for leadership and protection. Thinking ahead about the consequences for the country is an essential aspect of patriotism.

It is because these risks and dangers are so substantial that it would be a major mistake to withdraw from the EU without having reasons so compelling that they outweigh any such risks. The second part of my argument today is that our work and negotiations over many years mean the reasons for withdrawal are not sufficiently compelling.

The British rebate, which greatly reduces our budgetary contributions, was secured by Margaret Thatcher in 1984 and has been successfully defended by David Cameron. Indeed, he has been the first British prime minister to seek and secure an actual reduction in the EU budget overall.

For us to have joined the euro would have been a mistake of millennial proportions, but we did not make it. Virtually no one in Britain any longer thinks that UK membership of the euro would be a good idea. No one in Europe expects us to join. The agreement made in February gives fresh protection to the rights of countries outside the Eurozone. We have separated ourselves from Eurozone bailouts.

What is needed now is a two tier Europe, in which Britain and others accept and support tighter integration for the euro countries, while those countries accept that we will always be in an outer, more flexible tier.

While there is a danger to Britain if the Eurozone is in continuous crisis or collapses from financial instability and loss of export markets, that danger is not diminished by leaving the EU. The best chance of a successful two tier Europe being developed is if Britain stays inside it, using the agreement in February as a starting point. The exemption of the UK from the commitment to "ever closer union" was an important moment and a necessary beginning to that.

There is no expectation in the European Union that Britain will join those projects and structures from which we have stood aside. Nor is there any expectation that further treaties reducing the rights and powers of the UK government and Parliament can be passed.

For several decades, such treaties have been rammed through Parliament by governments of the day. Now, they would be subject to a national referendum in Britain under the Act of 2011. And even the use of the previous treaties to extend EU competence into new areas or to remove further rights of veto would similarly trigger a referendum in the UK because of the same law.

Although this Act was inspired by the Conservative party, it was accepted by all the main parties at the last general election as part of our constitutional practice. It has been somewhat overlooked in this campaign that we have passed into law such a 'referendum lock' which prevents the transfer of new powers from London to Brussels without the specific consent of the British people.

Some campaigners for leaving the EU nevertheless continue to insist that we can be forced into further European projects or institutions against our will. For instance, it has been written that a European army will be created, that we will be forced into it, and that we will therefore be in a weaker position to defend ourselves or our overseas territories.

It is important for people to know that this argument that we can be forced into such an arrangement is utter rubbish, even though it is sometimes advanced by former military officers. It is true that there is strong pressure within the EU to create military structures allowing action to be taken separately from NATO. If the situation in the Middle East and the problems of mass migration continue to worsen, this pressure is bound to grow.

I experienced this pressure at great length and in great detail. I pointed out that Europe needed a common will to act more than it needed new structures and headquarters duplicating and dividing the many that already exist. I opposed the creation of an operational headquarters for EU defence, and as British Foreign Secretary I was able to prevent it, since such a proposal requires unanimous agreement. Britain could not have prevented it if we had not had a seat at the table.

Since the Lisbon Treaty there is a provision for a group of countries within the EU to establish their own structures under what is called "permanent structured cooperation". This provision could be used to create new European defence structures. But it cannot be used to force Britain to become part of them. The idea that our own national defence could therefore end up in the hands of EU decision-making against our will is not credible.

This illustrates the wider point. At times in the past we have indeed been on the much-feared "slippery slope" to greater loss of control of our own affairs. In most important respects, however, we have now stepped off that slope, and some of the fears and criticisms have become out of date. Any EU leaders who wanted to see further areas of British sovereignty submerged into EU institutions would face a formidably difficult task.

So the need to leave the EU is not compelling, certainly not when weighed in the scales against the economic and other risks of doing so. We must acknowledge of course that there is strong public concern over freedom of movement and large-scale immigration into the UK. On this subject, unlike on the crucial matter of our future trade, the Leave campaign has advanced a specific alternative policy. But they should acknowledge in return that the proposal would involve similar restrictions on British nationals travelling abroad – as the Prime Ministers of Spain and the Netherlands have made clear - restrict economic growth in some sectors, and not necessarily reduce immigration anyway. An Australian points system has been advocated, but immigration into Australia is higher, relative to population, than it is into Britain.

Voters need to decide whether this is a convincing alternative and, even if they think it is, whether the wider consequences of leaving the EU justify it. In my judgement, they do not.

It is part of the case put forward for leaving the EU that it is an organisation designed in the aftermath of the Second World War, not for the world of flexible networks that has arrived with the 21st-century. There are two responses to this, which lead me into the detail my third and final argument.

The first point is that even we long-standing critics of the EU have always acknowledged that the welcoming of new and fragile democracies into common European cultures and structures after both the Second World War and the Cold War is a crucial and unambiguous achievement. The importance of this is not diminished by the passing of time: Europe is a continent of a multitude of nationalities and ethnicities, with national boundaries which have rarely remained settled for more than a few decades at a time.

The tragedy of the Balkans in the 1990s has shown us how rapidly ancient rivalries can resurface. Britain needs a framework of European cooperation to exist whether we are in it or not, and that need is permanent.

The second point is that this century is bringing new threats, which make this particular criticism of the EU itself dated. International affairs have become more volatile and unstable. We can see from our experience in trying to deal with the catastrophe in Syria or the crisis in Ukraine that whenever the United States in particular, and the West in general, exercise less influence and power the gap is filled by forces or nations who do not share our values.

We are now faced with the rise of global terrorist organisations in ungoverned space, huge population increases in countries with poor governance or badly performing economies, and assertive behaviour by Russia or Iran whenever the influence of Western nations is hesitant or held back.

This is happening at the same time as intense pressures on many Western economies, and on electorates struggling to cope with the disruptive effect of new technology on established industries and the pace of social change.

As a result, there is the prospect of the political division and fragmentation of alliances just when the external threats to them have become more serious. Migration pressures have become an intense strain on the unity of the EU. The campaign of Donald Trump for the US presidency is partly based on a concept of "America first", involving a less internationalist approach by the world's most powerful democracy and potentially less support for long-standing allies.

The combination of energy independence in the United States with an increased need for Europe to do more to stabilise the Middle East and East Africa brings the threat of a serious division in the strategic needs of Europe and America.

All of this means that political leaders in the next few years will have to work harder than at any time since 1945 to ensure that free and democratic nations are working together. There is no doubt at all, in all my experience, that the UK plays a fundamentally important role in that.

For example, the recent nuclear deal with Iran owes a good deal to the strength of sanctions adopted together by the US and EU. The UK was crucial to that. Indeed, we nearly always play a central role in determining the overall external approach of the whole of the European Union. When Russia invaded Crimea, British insistence on sanctions was crucial to getting them adopted.

The European Union without Britain would inevitably be less aligned with British foreign policy priorities, and indeed less aligned with American priorities. Without Britain at the table in Brussels the unity of the Western world will undoubtedly be damaged. That is why President Obama and Chancellor Merkel have felt it essential to give their views.

Furthermore, a decision to leave would plunge Britain, and to some extent the rest of Europe, into a long, open-ended, and possibly acrimonious negotiation. Governments, like all organisations, only have a certain bandwidth – they cannot concentrate on every issue at the same time.

Do not underestimate how completely preoccupying the task of separating Britain from the EU and finding new arrangements would be to the British government, particularly as they would be doing so without any agreed plan or objective. And every hour spent on that task would be one hour less spent on defeating the innumerable challenges to the peace and prosperity of ourselves and our allies.

Britain exercises more influence and reach in the world than we sometimes acknowledge ourselves. We have the advantage of being a member of almost everything: the UN Security Council, NATO, the Commonwealth, the EU, the G-7, the G 20, and almost every global international body.

Another and less well-known example of what this can mean was when we brought together the international conference on Somalia in 2012. The UK led a concerted global effort which combined a UN resolution establishing a legitimate government, EU subsidies to African military forces, a global and successful effort to tackle piracy offshore, the strong backing of the United States and solidarity across the Commonwealth nations in Africa. We need to retain and be able to use every channel of influence open to us, and that means keeping our seat at every one of those tables.

At the end of the 20th century it was indeed a serious risk to the UK that we would be drawn into an ever closer European union and lose important attributes of our democracy. Today, not only has that danger diminished, but it has been overtaken by the risk of a divided West in the face of multiple dangers – a risk that we are now being invited to increase.

We should resist and refuse that invitation on 23 June. We already face that more volatile and unstable world. To add to that volatility, and subject our own country to a particularly serious and unpredictable bout of it, would be unwise.

It would be a different matter if we had to take these risks with our country's future. But we don't have to. Britain in the EU in recent years has proved well able to protect its interests and to fight its corner. In most of the last few years we have been the fastest growing of the advanced economies of the world. We have come top, or close to the top, of world league tables of soft power. We are home to some of the world's finest universities. Our capital city is one of the leading global centres of finance and our industries benefit from high levels of foreign investment. More of our people work than ever before, and a higher proportion of them do so than in the vast majority other nations. When we choose to lead in Europe we have the power to do so.

Being a member of the European Union has not stopped us from achieving any of these things. A painful departure from it would, however, endanger some of those same achievements. In the next two weeks, we have to set aside our many frustrations, our occasional anger, and our disappointment with grand projects gone wrong, to judge calmly what is truly in the best interests of the people of this country.

I have given you the view of someone with no axe to grind, who has retired permanently from government. I spent much of my time in politics defining the Conservative Party's position on Europe and as Foreign Secretary conducting our relations with the other 27 EU nations.

I believe the battles we have fought for many years to safeguard our sovereignty have not been in vain. They make it possible for us to stay in Europe. And I believe that if we lift our eyes from our local concerns to the challenges coming our way within this continent and from beyond it, then the risks of leaving are too great. Above all, the danger of a divided, fractured and weakened West is one we must do our utmost to avoid.