



Campaign for an Independent Britain

A cross party group - for a United Kingdom free from the EU - founded in 1969

BRIEFING

A Series Of Briefings On The EU Referendum

March 2016

EUROPEAN UNION: THE RIVAL PLANS

In order to have a clear understanding of what the EU referendum is about, here is a listing where David Cameron's proposals for future UK-EU relations are compared side-by-side with the Leave Alliance's proposals.

What is our aim?

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

What is our plan?

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

In the plan, entitled FLEXCIT - the work of eureferendum.com and The Bruges Group - the UK would stay in the Single Market by retaining its European Economic Area [EEA] membership and joining EFTA. In due course, it would then make further policy changes as any normal country. Ultimately, the long-term aim would be to change the UK's relationship to the EU to 'joint membership of a European free trade area' with the UK no longer constrained by supranational government and supranational policies but as a free democracy entering intergovernmental agreements in the same way it does as a member of NATO and the Commonwealth. This goal is within reach and will be attained more easily if the political and monetary aspects and other Common Policies of the EU are jettisoned.

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

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

A full and balanced evaluation of the economic and political constraints and realities is laid out in the Flexcit document.

What is the position of Norway and Iceland?

In addition to listing the comparisons of David Cameron's proposals side-by-side with the Leave Alliance proposals for future EU-UK relations, it is also necessary to briefly outline the position of the three EFTA countries in the Single Market, that is, Norway, Iceland and Liechtenstein, now called the EEA-EFTA states. They have been in the Single Market for twenty years so their position is available, off-the-shelf, and is a proven and existing solution for the short-term.

David Cameron has made comments about the position of these countries which are simply wrong and he has failed to note the advantages they have. Some of these matters are:

- **Some 80% of EU laws do not apply to them. Only Single Market legislation is relevant to the EEA-EFTA states, which is agreed to by the EEA-EFTA states under a 'two pillar' agreement. Each EEA-EFTA state has the right of reservation, that is, not to apply a Single Market law.**
- **EEA-EFTA states can, under Article 112 and 113 of the EEA, use an emergency brake to cease any of the Four Freedoms without needing EU approval. Iceland has done so, for capital movements. Norway is, at present, considering drastic controls on immigration, although at present not proposed to be applied to EU citizens.**
- **Freedom of movement for the EFTA states is for workers only. The 'expansive rulings' of the European Court of Justice do not apply.**
- **The EEA-EFTA states are not responsible for EU debts or the debts of EU institutions.**
- **Contrary to David Cameron, the EEA-EFTA states do not pay into the EU general budget. They do pay for programmes and services they have separately agreed to.**
- **The EEA-EFTA countries sit 'upstream' of EU decisions as sovereign negotiators at the WTO and international bodies which are nowadays the sources of most EU law.**
- **These EEA-EFTA states are not involved in, or subject to, the Common Foreign and Security Policy, the Common Policy on Justice and Home Affairs, EU Economic and Monetary Union, the EU Commission, the EU Court of Justice, the Charter of Fundamental Rights, the Customs Union, the Common Trade Policy, the Common Agricultural Policy and the Common Fisheries Policy**

The future action of the British government

Taking all of this into account, it is almost a certainty, despite David Cameron's disparaging remarks about Norway, that a British government which is faced with a Leave referendum vote, would follow the Flexcit/Norway route.

With a clear aim and a clear plan established, it is now appropriate to outline the timetable for exit, so every voter can see exactly what will happen. There is then **an aim, a plan and a timetable.**

Of course, all the dates and proposals in the timetable below are not to be considered rigid but as an indicative scheme for action. There will be delays and diversions, but the timetable points the direction of travel.

Timetable for exit from the EU

23rd June 2016 Referendum Day - Approximately twelve months after the referendum, the UK government will serve an Article 50 notice to leave the European Union (Article 50 is the legal way to leave as specified under the Treaty on European Union and gives two years to negotiate the terms of exit and the future relationship between the UK and the EU).

There should be such a delay because the UK government needs to decide what its future relationship with the EU should be and how to negotiate it. [Note: during the period June to September it is simply not possible

to move forward on negotiation] As the UK will remain close friends with the other EU states, therefore there must also be informal discussions with the other EU states and the EU institutions in this period. There must also be discussion with the outside nations which have trade agreements with the EU so as to create a seamless transition. However, the period of delay needs to be limited in order to prevent political moves to reverse the referendum vote.

1st July 2017 - Article 50 notice served; start of two years' negotiations.

1st July 2019 - The UK leaves the EU (probably this is the day of repeal of the European Communities Act) but remains in the Single Market retaining its continuing membership of the EEA (European Economic Area) preferably rejoining EFTA at this time but, if not, remaining in the EEA under the continuing provisions of international law. There is, therefore, no effect on business, trade, investment or jobs.

On this day, the UK will repatriate the existing EU acquis (all laws passed by the EU) but no further EU laws will be applicable to the UK. The UK would be able to consider and repeal unwanted EU laws in due course.

This is a normal practice carried out by newly independent states. Good examples are the cases of India and Ireland when they became independent of British rule.

Future Single Market laws will be passed via the separate 'two pillars' of the EFTA/EEA process. Each government has to agree for itself to any new proposal in the EFTA 'pillar'.

Certain other actions will take place the same day. The UK will cease to be part of, or subject to:

The Common Foreign and Security Policy;

The Common Policy on Justice and Home Affairs;

EU Economic and Monetary Union;

The EU Commission/EU Council/EU Parliament;

The EU Court of Justice;

The Charter of Fundamental Rights.

Insofar as any of these policies have involved EU legislation, such legislation would be repatriated.

The UK will have to set up its Customs Service so as to operate from this day. It will also have to notify all outside countries with trade agreements with the EU that the UK will continue these under the continuing provisions of international law.

After 1st July 2019 - The regulations of the Common Agricultural Policy and the Common Fisheries Policy will be repatriated as noted above and will probably remain largely unchanged for a time. However, control of UK Agriculture and Fisheries will now be solely with the UK (in the same fashion as the EEA-EFTA states) and all payments and receipts will be undertaken by HM Treasury. Any agricultural subsidy will now be borne by the UK taxpayer.

After this date, depending on the negotiations and transitional arrangements, UK contributions to the EU budget will only be for spending on EU policies approved by the UK government, such as university research, or for services rendered by EU institutions, such as air traffic control.

Additionally, it is likely that the UK will continue to support projects in Eastern Europe but these, (in a similar way as projects supported by Norway, Iceland, Switzerland and Liechtenstein) will be under UK control in agreement with the Eastern European Countries involved and they will be outside the EU budget and will be time-limited.

The UK's liability for the debts of the EU will cease on 1st July 2019. Negotiations will be required to extract the UK from liability for the debts and shareholdings of specific EU institutions, for which the UK has taken responsibility. Inter alia, these include the debts (and shareholdings) of the European Central Bank and the European Investment Bank.

EUROPEAN UNION: THE RIVAL PLANS

Comparing the proposals of David Cameron and the 'Norway/Iceland' model proposals of The Leave Alliance

	THE 'CAMERON' MODEL	THE 'FLEXCIT EEA/EFTA' MODEL
Common Foreign and Security Policy	Continued EU control	Return to British control
Common Policy on Justice and Home Affairs	Continued EU control	Return to British control
EU Economic and Monetary Union (Stages 1 and 2)	Continued EU control	Britain leaves
EU Commission	Continues to apply to UK	No role in the UK
EU Court of Justice	Continues to apply to UK	No role in the UK
Charter of Fundamental Rights	Continues to apply to UK	No role in the UK
Customs Union	Continues to apply to UK	UK Controls own Customs
Common Trade Policy	Continues to apply to UK	UK Controls its own Trade Policy
Common Agricultural Policy	Continues to apply to UK	UK in full control of agricultural policy
Common Fisheries Policy	Continues to apply to UK	UK in full control of fisheries policy
EU Budget Contributions	Continue and rising	UK contributes only for approved policy, services provided and help for Eastern Europe
"Joint and several liability" for EU debts	Continues to apply to UK	No liability
Liability for specific debts of EU institutions	Continues to apply to UK	Transitional negotiations followed by no further liability
Taxation	Likely to come under some EU control or harmonisation	Sole UK control
Four Freedoms	EU interpretation by ECJ continues to apply to UK	UK upholds the Four Freedoms subject to EEA provisions including the Safeguard clauses Article 112 and 113
Single Market and associated provisions	Continue to apply to UK. Justiciable in ECJ	Continue to apply to UK. Justiciable in EFTA Court
Ever closer union	Possibly no longer applies to UK	Irrelevant to UK after leaving
Protection for non-eurozone countries	Possible new provisions	Irrelevant to UK after leaving
Group of national Parliament having some voice in EU law	Possible new provisions	Irrelevant to UK after leaving
Minor controls on benefits for EU migrants	Possible new restrictions	Subject to provisions of EEA and immigration to the Safeguard Clauses of EEA agreement, Articles 112 and 113.
Existing EU acquis (all laws passed by the EU) up to withdrawal of UK	All existing EU laws and all future EU laws will apply to UK	Repatriation of the existing acquis to the UK with the UK able to repeal unwanted EU laws. No further EU laws to be applicable to the UK

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