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FORMER CHANCELLOR NIGEL LAWSON
CALLS FOR UK
TO LEAVE EUROPEAN UNION

by

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The move piles further pressure on David Cameron over the EU issue



The former Chancellor, Lord Lawson of Blaby, has called for Britain to leave the European Union.

In a dramatic intervention into the Tory turmoil over Europe, he argues that the gains from a British departure "would substantially outweigh the costs". Lord Lawson, writing in *The Times*, says the EU has become a "bureaucratic monstrosity" from which the UK should break free. He says: "The case for exit is clear."

The Tory peer, who served as Baroness Thatcher's Chancellor for more than six years, doubts David Cameron's ability to repatriate some powers from Brussels to London ahead of a promised

referendum on membership in 2017. He says a European superstate "is certainly not for us" and adds: "That is why, while I voted 'in' in 1975, I shall be voting 'out' in 2017."

In a move that piles further pressure on David Cameron over the issue, the former chancellor warned the Prime Minister's proposed renegotiation would only secure "inconsequential" concessions from Brussels, adding there was now a "clear" case for withdrawal.

His intervention is sure to further embolden eurosceptic MPs demanding a tougher line to halt the rise of Nigel Farage's rampant anti-EU UK Independence Party.

Mr Cameron is already under pressure to hold a "mandate referendum" as early as next spring to seek public approval of his strategy of putting a renegotiated settlement to an in/out vote by 2017.

In the wake of Ukip's surge in last week's county council elections, there is also pressure to put the strategy to a vote in the Commons in defiance of his Liberal Democrat coalition partners.

Lord Lawson, who was Margaret Thatcher's longest-serving chancellor and remains a highly-respected figure within the party, said that it was "by no means assured" that Mr Cameron would win the 2015 general election.

But he said he believed public demand was such that a referendum would have to happen under Labour in any case.

Dismissing the chances of either party securing significant reforms, he said Brussels would fear a "general unravelling" as other countries sought to match the return of powers.

"But all this is largely beside the point," he wrote. "The heart of the matter is that the very nature of the European Union, and of this country's relationship with it, has fundamentally changed after the coming into being of the European monetary union and the creation of the eurozone, of which - quite rightly - we are not a part.

"Not only do our interests increasingly differ from those of the eurozone members but, while never 'at the heart of Europe' (as our political leaders have from time to time foolishly claimed), we are now becoming increasingly marginalised as we are doomed to being consistently outvoted by the eurozone bloc.

"So the case for exit is clear."

While there would be "some economic cost" from leaving the EU single market, he went on, "in my judgment the economic gains would substantially outweigh the costs."

That would not only be in keeping the UK's £8 billion net contribution, but also being removed from excessive bureaucracy, not least the "frenzy of regulatory activism" affecting the banking sector.

"The foolish and damaging financial transactions tax, imposed against strong UK opposition, is only one example. In part this is motivated by a jealous desire to cut London down to size, in part by well-intentioned ignorance," he said.

"The Bank of England is becoming increasingly frustrated by the mandatory nonsense emanating from Brussels.

"Escaping from this and reinforcing the escape by co-operation with the only other genuine world financial centre, the United States, would be a major economic plus.

"Those who claim that to leave the EU would damage the City are the very same as those who in the past confidently predicted, with a classic failure of understanding, that the City would be gravely damaged if the UK failed to adopt the Euro as its currency."

Quitting the single market would only have "marginal" disadvantages, he suggested, and could even have "a positive economic advantage to the UK" by forcing British firms to look further afield.

Too much UK business and industry felt "secure in the warm embrace of the European single market and is failing to recognise that today's great export opportunities lie in the developing world", the peer wrote.

"Just as entry into the Common Market half a century ago provided a much needed change of focus, so might leaving the EU, an institution that has achieved its historic purpose and is now past its sell-by date, provide a much-needed change of focus today."

A Downing Street spokesman said: "The PM has always been clear: we need a Europe that is more open, more competitive, and more flexible; a Europe that wakes up to the modern world of competition. In short, Europe has to reform.

"But our continued membership must have the consent of the British people, which is why the PM has set out a clear timetable on this issue."

Liberal Democrat leader Nick Clegg said leaving the European Union would jeopardise jobs and make Britain less safe.

"I think if we were to leave the European Union we would jeopardise up to three million jobs in this country," he told ITV's Daybreak.

He added: "We would make ourselves less safe - we work in the European Union to go after criminals who cross borders, it would be more difficult to deal with environmental challenges which cross borders.

"We would not be taken as seriously by the Americans, for instance, who like the fact that we stand tall in our own European back yard .

"I know the Conservatives are struggling to work out how to deal with Ukip and they keep now changing their minds - one moment they want to be in the European Union, now senior Conservatives like Nigel Lawson say they want to go out.

"I think we need to reform the European Union to make it more transparent, more efficient, more democratic where we can but not turn our backs on it because doing so would make us less safe and less prosperous."

"Just having a referendum in response to nothing is a slightly odd thing to do," Mr Clegg told Daybreak.

"Let's have a referendum when the next time the rules in the European Union change... when new powers have to be given up from the UK to the European Union, then I think we absolutely must have a referendum.

"In fact I believe that so much that we legislated on it as a Government just back in 2011 to give people a guarantee that there will be a referendum when the rules of the European Union change next time."

Mr Clegg said EU membership was part of an "anguished" debate among Tories.

"Of course it's part of an anguished debate within the Conservative Party; they have had it before and they are no doubt going to have it again," he told the BBC Radio 4 Today programme.

Britain would face "huge negative consequences" if it withdrew from the EU, according to Richard Corbett, special adviser to European Council President Herman Van Rompuy.

The former Labour MEP told the BBC Radio 4 Today programme: "People are simply waiting to see what it is Britain might put on the table.

"There's a lot of talk of renegotiation but nobody has actually said exactly what they would want to change, apart from ideas floating around but there's nothing actually being put on the table by the British Government."

He went on: "If confronted with a factual discussion on the European Union and also with the huge negative consequences of withdrawal, I think there is a good chance that a referendum will vote to stay in."

Mr Cameron remains "confident" that his strategy "will deliver results", a Downing Street spokesman said.

"The PM has always been clear - we need a Europe that is more open, more competitive, and more flexible; a Europe that wakes up to the modern world of competition. In short, Europe has to reform," he said.

"But our continued membership must have the consent of the British people, which is why the PM has set out a clear timetable on this issue."

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