

Voting on the EU

One of the first votes I cast was a vote in the EEC referendum in 1975, when we were asked whether the UK should stay in or leave the EEC. My employer asked me to research the consequences of a Yes and a No vote. I constructed an economic forecast based on the two scenarios, read the Treaty of Rome, and started my lifetime study of the EEC/EU and all its doings.

As a result of this research I concluded that the UK should leave the EEC for two main reasons. The first was the content of the Treaty. It made it clear this was no mere common market. It stated the aim was “ever closer union” and sketched an ambitious project which duly unfolded in later years of creating a state called Europe. I realised that the main political parties were all arguing that this was just a free trade relationship, a common market, when it was something very different. They sought to reassure us that no powers of self government were being taken away, when that was the express aim of the wider project.

The second reason I decided against was the economic impact. My forecasts showed that we would run twin large deficits inside the EEC. We would run permanent large trade deficits – as indeed we did. They decided to liberalise the trade in goods where the continent was strong, and to resist proper liberalisation of trade in business and financial services where we were stronger. This asymmetry led to big import penetration of our markets, and loss of UK industrial capacity. VW and BMW flourished whilst BL floundered. It was also likely to increase our state deficits, as the EEC required substantial and rising financial contributions from us. I did not forecast any introduction of a budget rebate as I did not foresee such a successful negotiation by a later UK government. Even after the Thatcher rebate the large contributions added to our budget deficits.

After the loss of the referendum I accepted the verdict of the people, and spent the next 25 years trying to ensure the EEC/EU was primarily a common market. By the 1990s this was demonstrably impossible, and I turned into an opponent of the centralising Treaties that followed, and started then campaigning for a way out via another referendum. Attending 21 Council of Ministers meetings, mainly as so called Single market Minister, confirmed my view that this was not primarily a common market. I disliked the absence of democratic challenge and accountability to what we were doing, and the use made of the so called common market to further a massive legislative programme that by passed national democracy.