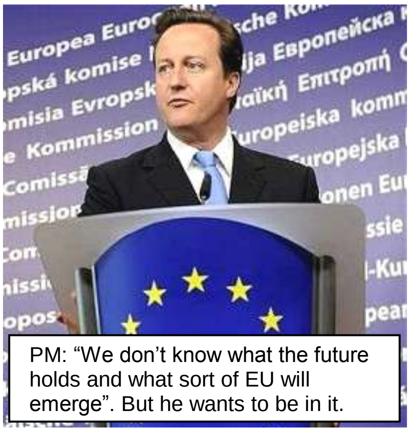
February 2013 Cameron Speech Special Edition

Resistance

"COUNTDOWN TO VE-DAY IN 2017?"



PM: "We don't know what the future holds and what sort of EU will emerge". But he wants to be in it.

David Cameron's 23rd Jan speech promised a referendum by Nov 2017 on either being in a revised EU or leaving.

Although some welcome the chance of a referendum, the speech met with cynicism. Critics sussed that he is not likely to lead a Tory government after 2015, and that he cannot be trusted on a referendum promise.

OpenEurope gently questioned as to whether fundamental EU reform could be achieved in two years, but the best response was from the Spectator's Mary Ellen Synon, who asked the Commission about how powers could be taken back and got evasive answers ("No EU institution is likely to advertise that fact to the British").[1]

"The Eurocrats would rather let Cameron go on for years in a pantomime of negotiation."

THE REFERENDUM TRAP?

Some anti-EU campaigners are wary, in case the Conservatives did creep back in 2015 and, as in 1975, a one-sided referendum campaign then scared voters into staying in against their better instincts?

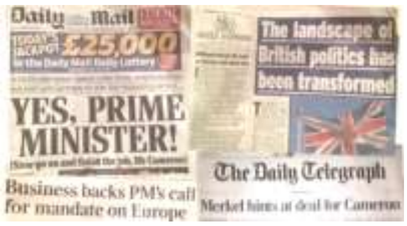
What of recent polls taken as showing a swing of support back to being in the EU? Polls analyst Leo Barasi doubts a new YouGov poll (reflected uncritically by the Daily Mail), pointing to changed and leading questions: "**[Has] opinion really has changed this much in a couple of days but on such an established issue. I doubt it.**".[2]

YouGov's Chief Executive is Stephan Shakespeare, (born Kukowski in Germany, recently a Tory candidate). Its President is Peter Kellner, of East European background and married to Eurocrat Lab peer Baroness Ashton. He also publishes tips on swinging votes towards the EU and Labour.[3]

Although neither may have been personally connected with the EU poll, it took the overseas press to reveal it was commissioned by Germany's Friedrich Ebert Foundation (FEF) and the Fabian Society. Despite being 'social democrat', the FEF is funded to the tune of €130 million mainly by **German federal/state governments**.[4]

ANY ANSWER EU LIKE, GUV? EU poll led answers with suspect wording like 'Britain's interests now protected' and underweighted UKIP and 'other' voters.

With YouGov's Joe Twyman, Kellner last year supported the FEF initiative "Next Generation Europe", to deepen 'British youth support for the EU'. Partners include shadow Labour Europe minister, Emma Reynolds, and the federalist European Movement.

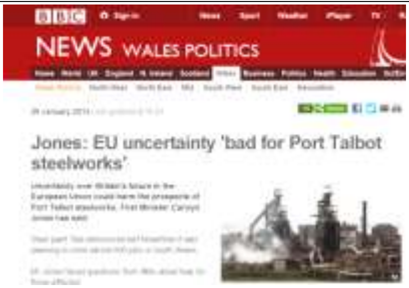


Recent 'dirty tricks' in the media betray the fact that business and public support for the EU is far from guaranteed.

BATTLE FOR THE PUBLIC MIND

Ironically, wider Kellner research finds 3 types of voters; call them A, B & C. As (46%) are cynically anti-EU; Bs (25%) don't have strong feelings, but can be more 'head' and swayed by reasoned, positive messages. Cs (28%) are more internationalist and/or idealist minded, but can be anti-EU.[5]

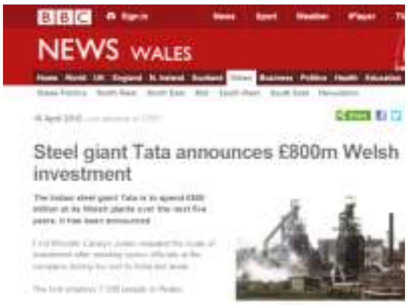
Kellner worries that the solid number of As gives the anti-EUs quite a head start in any referendum. (Developing his figures gives roughly 65%:35% likely to reject the EU before any propaganda campaign; it is vital that any 'No to EU' side can convincingly outline **positive alternatives**.)



✪ **JONES THE TRY-ON.** Like Honda, Tata Steel cut jobs in the UK because of more declining demand in Europe.

Now Wales' First Minister Carwyn Jones claims that an In/Out vote makes for 'uncertainty' for steelworks.

He must have a short memory, as in April, he greeted £800m investment with "the steel industry in Wales has a secure future". The BBC noted that "probably 20 or 30 years of steel-making there would be guaranteed".[6]



✪ The Federation of Small Businesses may be hedging by only taking a 'neutral' stance, but the comments of John Longworth, Director-General of the British Chambers of Commerce are revealing:[7]

"*While 4 out of 5 [British businesses] insist that they want to remain part of the European single market, **an even larger number say they are against further integration** and transfers of power from Westminster to Brussels... If Britain does [not get powers back now] it will be dragged down the road of ever-closer union in the wake of the Eurozone. That raises the spectre of an "in/out" referendum in future that **no pro-European campaign could realistically hope to win**.*"

Although he seems to say 'give renegotiation a chance', he wants "**all options** to remain on the table".

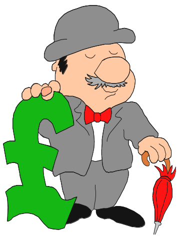
PRO-EU? A Comres poll shows 57% want out if powers can't be taken back. 'OnePoll' showed 56% just want out.[8]

NEW ALLIANCE

The Battle for Britain

A media offensive has already begun with words like “uncertainty”, ‘risk’, “influence”, “investment”, “weakening Pound” etc. - but mainly “could” and “might”. These speculative claims need probing for hard evidence.

The Telegraph’s **Denise Roland** and **Richard Blackden**[9] had headlines wailing that uncertainty over Europe risked the Pound’s future as a ‘safe haven currency’ and led to its weakening. (A UBS analyst notes that after 2 years of betting on Euro break-up, traders and investors have begun 2013 looking for new trends to bet on).



"Whatever David Cameron says in his speech, much inward investment will still come here” - Sir Andrew Cahn, vice-chairman of Nomura investment bank.[10]

Ironically, the pro-EU Guardian has been less stilted in its reporting. The government and the Bank of England may welcome a weakening currency as it will **boost UK exports**.[11] Germany’s Bundesbank president has warned of **other** economies devaluing for competitiveness.

As for possible UK loss of ‘AAA’ **credit rating** - related to UK government finances, not the EU - Howard Archer of IHS Global Insight sees only limited impact “*There are so few countries left now with an AAA rating, that to lose it would not be the stigma it would have been a couple of years ago*.”

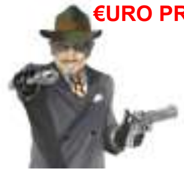
ALL QUIET ON THE EURO FRONT?

In a quiet January, EU-fanatics have so far got away with playing down Euroland’s woes (Sir Roger Carr, CBI, referred to them just as ‘a condition to be managed’, a bit like a skin rash? This papers over cracks like negative growth and high local unemployment.)

Rep. Ireland is having to reschedule its loan repayments. Developments in Cyprus or France could undo Euro stability measures. (NB also that the Euro has been rising from a **2 year low** against the US dollar last year).[12]

The Telegraph’s **Ambrose Evans-Pritchard** claimed a 'catastrophic' EU exit would leave the City defenceless – EU regulators ‘would not hesitate’ to shut down key parts of London’s financial centre ‘at a stroke’ if Britain left. Amazingly claiming that being **in** the EU that can **impose regulation** was **‘protection’** and that if we left, business would move to Euroland (which of course would be **regulated**). - Who dreams up such crazy ‘logic’?

€URO PROTECTION RACKET



As regards the wider issues of restricting currency trade, readers were up in arms. “*The Eurozone needs London more than ever as it needs the non-EU cash that comes through either London or New York*”. It would also seem illegal under EU law on free trade and capital movement.[13]

The article quoted Graham Bishop (a Director of the Federal Trust, a 'charity' lobbying for federalism); also Giles Merritt, head of EU-funded lobbyists 'Friends of Europe' about an ‘EU backlash’ over an In/Out referendum (Merritt had previously lobbied for Blair to be made EU President!).[14]

Bruges Group

In November, the Bruges Group held a valuable conference debating the importance of the ‘Single Market’. You can see / buy the main proceedings on www.brugesgroup.com/eu/saying-no-to-the-single-market.htm?xp=paper
More info on: 020 7287 4414.

London-based business advisory firm PwC (Pricewaterhouse Coopers) and others warn that withdrawal could lead to a ‘loss of influence’ in management of assets for EU-based investors. Regulation of EU-based funds would still be overseen by the Commission.[15]

The UK has only 8% of votes within the EU, and PwC has offices in all EU countries. If we left, they (and their clients) would still be based in all EU countries with 100% of the votes. Might it be that PwC wants to earn brownie points with the EU?

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✪ We were contacted for quotes on the Cameron speech by the Evening Standard and ‘Voice of Russia’ radio, and got comment onto several key media websites.

PROTECTING ‘EU DEMOCRACY’

✪ EU leaders have a responsibility to trigger more extensive press reporting of EU affairs to counter an "insufficient Europeanisation of national politics" threatening to undermine both national and European democracy as a whole according to a Commission working party on media freedom!

The solution might involve harmonised rules, codes of conduct, "politically and culturally balanced” media councils to impose fines, insist on the printing of apologies, and make decisions on the "removal of journalistic status".[16]

✪ The Local Government Association warns of councils being bankrupted by EU fines related to imminent (‘7EP’) environment regulations. The UK government was urged to assess their workability. LGA also warns tight public finances will create dependence on EU funds (ERDF and ESF).[17]

The BBC is influential but has lost its market share - and may not be as trusted

Main References:

1 http://blogs.spectator.co.uk/coffeehouse/2013/01/the-eu-renegotiation-pantomime/
2 www.noiseofthecrowd.com/is-euroscepticism-collapsing-or-is-it-just-bad-polling/ 3 yougov.co.uk, en.wikipedia.org, New Statesman 11.7.12 4 Various FEF - www.feslondon.org.uk www.fes.de flyer (2010 figure) 5 LSE Blog 9.10.12, figure rounded to exclude ,almost certainly won’t vote’s 6 BBC 16.4.12, 24.11.12, 29.1.13
7 www.fsb.org.uk, Guardian 19.1.13
8 Express 28.1.13 9 Telegraph 18.1.13, 20.1.13 10 Guardian 17.1.13
11 Guardian 22.1.13, Archer abridged
12 BBC 16.8.12 13 Telegraph, 31.1.13; Lisbon Arts 63-66 14 Guardian,19.10.09, www.duedil.com/direct or/ 903609333/graham-porteous-bishop
15 Money Marketing, 31.1.13
16 www.publicserviceeurope.com/article/2969/report-targets-lack-of-eu-press-coverage
17 LGA PRs 7.12.12, Nov 2012.

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