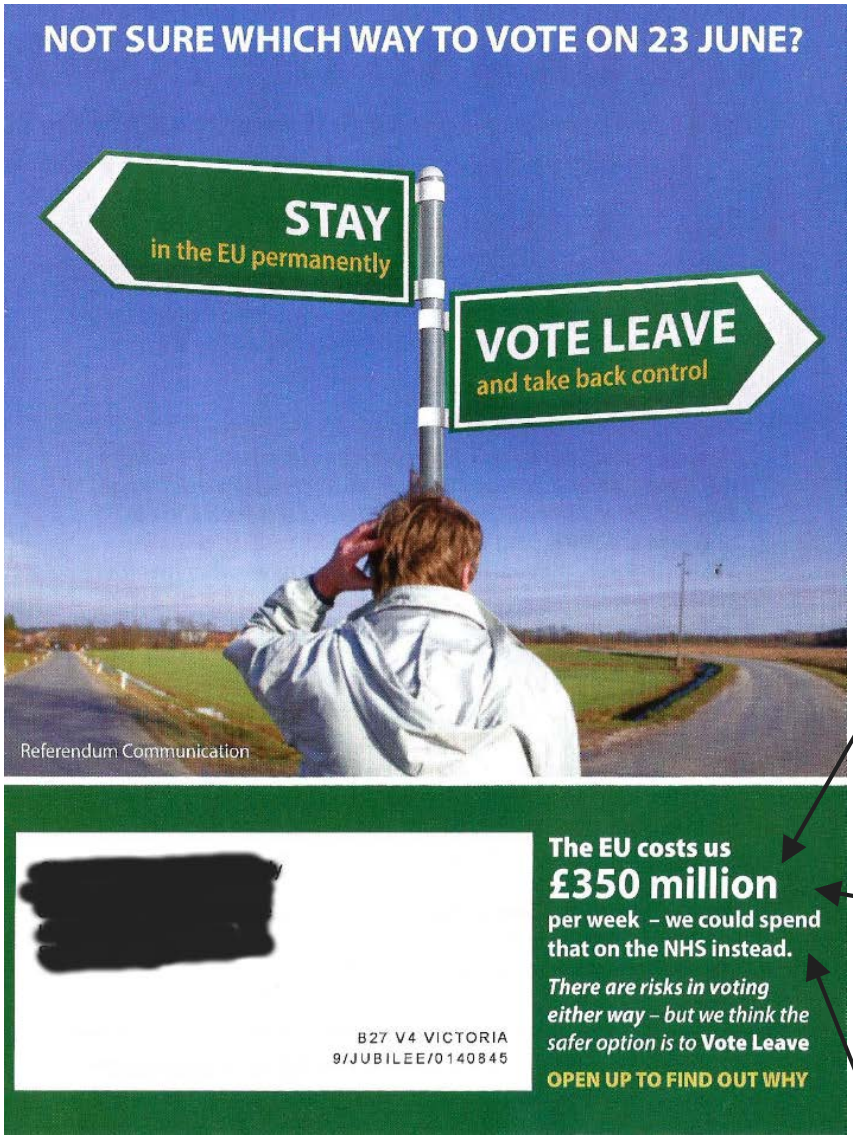


The EU does not cost the UK £350 million a week. The cost to the UK (in the ordinary sense of the money we send to the EU minus the money we get back) is far lower, at about £135 million a week.

The estimated figures for 2015 are:

Gross contribution:	£17.8 bn
- EU Budget rebate:	-£4.9 bn
- Public sector receipts	-£4.5 bn
- Private sector receipts	-£1.4 bn
= net cost:	**£7 bn**

Divide £7bn a year by 52 to get £135m per week.

Source: H M Treasury, European Union Finances, December 2015.

About £20m a week of Britain's EU contribution is spent on foreign aid, helping to meet Britain's target of spending 0.7% of GNI on aid. If Britain left the EU but stuck to its target for foreign aid, the overall saving would drop to £115m a week, or £6bn a year.

If we leave the EU, we would indeed save some or all of the £135m a week that we contribute. But this would not mean that we can "spend that on the NHS instead". Whether or not we have more money to spend on the NHS, or other priorities, depends crucially on what happens to the UK economy. If leaving the EU causes the economy to grow less quickly, or even to go in to recession, then this too affects how much money we have to spend on public services. If the economy were just 0.4% smaller, then we would have less money overall to spend than we would save from stopping our EU contributions. Most experts think the economy would be smaller by much more than 0.4% as a result of lower trade, lower investment and a smaller labour force. The Institute for Fiscal Studies, a respected independent think tank, estimates that the overall effect would be that by 2019 the government would have £20 billion to £40 billion a year *less* to spend on public services such as the NHS or education.

It is true that experts disagree on the overall effects of immigration. But most studies agree that immigrants to the UK contribute more to the public finances than they cost, and this is especially true of immigrants from Europe. This means that lower immigration to the UK from Europe would reduce the amount of money coming in the Treasury by more than it reduces the use of public services. In the long run, therefore, immigration does not add to pressure on public services, and may in fact help finance them. In addition, reducing immigration could mean losing many of the people who work in key services such as the NHS, care services and construction.

- **Over a quarter of a million people migrate to the UK from the EU every year.** This is the equivalent of a city the size of Newcastle every year. EU law means all members must accept 'the free movement of people'. Many immigrants contribute to our society. They also have an impact on public services. Experts disagree on the overall effect.

There is no prospect of these countries joining the EU any time soon, and the UK has a veto on them doing so. If they did join, their citizens would not immediately have the same right to migrate as other EU citizens.

- **The EU is expanding to include: Albania, Macedonia, Montenegro, Serbia, and Turkey.** When we joined, there were just 9 member states. Now there are 28, the most recent being Romania, Bulgaria and Croatia. Five more countries are in the queue to join, including Turkey, totalling **89 million people.** When they join, they will have the same rights as other member states.

Technically the UK joined the European Economic Community (though it was sometimes called "Common Market") in 1973.

- **The European Union has changed enormously since the UK joined the 'Common Market' in 1973.** The EU has taken control over more and more areas such as our borders, our public services, and VAT. The need to prop up the Euro means that more and more powers will be taken by the EU.

The EU has not "taken control" of anything. As a sovereign nation, the UK has agreed to cooperate with other countries. One example was the decision to create the Single Market in 1993. During the negotiations, the British Prime Minister, Margaret Thatcher, was a strong supporter of the Single Market, which she believed was in the UK national interest.

- **EU law overrules UK law.** This stops the British public from being able to vote out the politicians who make our laws. EU judges have already overruled British laws on issues like counter-terrorism powers, immigration, VAT, and prisoner voting. The new 'deal' David Cameron negotiated recently can be overturned by the European Court after our referendum.

It is not true that the EU has somehow superseded the sovereignty of the British parliament. EU agreements only have force in the UK because the British Parliament says they do. In 1972, Parliament passed *The European Communities Act*. This has the effect of incorporating agreements of the European Union into British law. In other words, EU agreements are binding in the UK only because the UK Parliament says they are, and only for as long as Parliament agrees they should be. In *Macarthys Ltd v Smith*, the then Master of the Rolls, Lord Denning said, *"If the time should come when our Parliament deliberately passes an Act—with the intention of repudiating the Treaty or any provision in it—or intentionally of acting inconsistently with it—and says so in express terms—then ... it would be the duty of our courts to follow the statute of our Parliament."* The UK Parliament therefore remains sovereign.

The EU does not cost us £350 million a week. It costs about £135 million a week. (See above for details)

If we leave the EU, and if the economy is smaller as a result, as many experts predict, the UK would almost certainly lose more money that it saves (see above). In that case, we would not have more money to build new NHS hospitals, but would instead have to make cuts in public service.

- **The EU costs us at least £350 million a week.** That's enough to build a new NHS hospital every week. We get less than half of this money back, and we have no control over how it's spent – that's decided by politicians and officials in Brussels, not by the people we elect.

Not true. For example, the UK has complete control over how it spends the EU rebate, which is £94 million it gets back of that £350 million a week.

- **You don't have to be a member of the EU to trade with it.** Countries across the world trade with the EU without being members of it. Switzerland is not in the EU and exports even more to the EU than we do. Some big banks and multinationals think the EU is in their interests. Small and medium-sized businesses think differently. Only 6 per cent of UK firms export to the EU, yet *all* have to obey EU rules.

This is true.

While you don't have to be a member of the EU to trade with it, you do have to obey some of its rules if you want to export to it. We don't set the rules unilaterally today, but we do have some say over them. If we leave the EU, and want to go on exporting 44% of our exports there, then like any other exporter we will have to continue to obey rules but no longer have any say over them.

- **While we're in the EU, the UK isn't allowed to negotiate our own trade deals.** This means we currently have no trade deal with key allies such as Australia, New Zealand, or the USA – or important growing economies like India, China or Brazil. Instead of making a deal which is best for the UK, we have to wait for 27 other countries to agree it. Most small businesses say that Britain should take back the power to negotiate our own trade deals which we cannot do inside the EU.

It is not obvious that the UK would be able to negotiate a better deal with these important trading economies than the EU is able to negotiate. As a huge trading bloc, the EU is able to offer much more attractive markets to trading partners than the UK alone can offer. The UK may have more flexibility negotiating alone, but it also has a far weaker bargaining position.

- **There are risks in voting either way.** Experts, politicians, and businesses are divided. People have to weigh up the risks and potential benefits of each course of action for themselves.

There are indeed risks either way. Two important questions to consider are:

a. do we know more about what is likely to happen to the UK within the EU, as we are now, or outside it? And

b. will we have more or less influence over the things that affect us if we leave the EU?

My view, for what it is worth, is that the risks are greater outside than in, but as the leaflet says, people have to weigh up the risks for themselves.

The European Convention on Human Rights is not an EU body: it was agreed by the Council of Europe, a separate organisation. The UK was the first country to ratify the ECHR, in 1951; and it entered into force in 1953, long before the UK joined the European Economic Community. Though EU membership does require membership of the ECHR, we would be unlikely to want to leave it even if we left the EU.

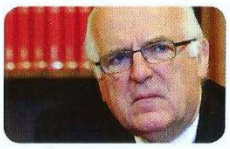
Most security experts agree that leaving the EU would jeopardise our cooperation with the police and other law enforcement agencies in Europe, making us less, not more, safe.

Many employers invest in the UK so that they can sell goods and services produced in the UK across the entire Single Market. If the UK chooses to leave the Single Market, many of those companies will move their production – that is, investment and jobs - to a country within the Single Market.

EU MYTH BUSTER

Don't believe those who are talking Britain down – here's what the experts say:

Does the EU keep us safe?



Sir Richard Dearlove, *former Chief of MI6*

"Brexit would bring two potentially important security gains: the ability to dump the European Convention on Human Rights ... and, more importantly, greater control over immigration from the European Union."

Would jobs be at risk?

TOYOTA NISSAN Unilever AIRBUS

and many more companies who say they will stay

EU regulations make it harder for British firms to hire staff. Major employers like Toyota, Nissan, Vauxhall, Honda, Unilever, GE and Airbus have all said they'll stay in the UK whatever the result of the referendum.

Does the EU mean lower prices?

Tim Martin, *Chairman of Wetherspoons*

"The EU places tariffs on goods from outside the EU, which is bad for British shoppers and the developing world. And the EU forces us to charge VAT on goods, pushing up bills for working families."

Will we be better or worse off?

Nigel Lawson, *former Chancellor of the Exchequer*

"As Chancellor, I became increasingly aware that, in economic terms, membership of the EU did us more harm than good. Outside the EU, we would prosper, we would be free, and we would stand tall."

What's best for business?

John Longworth, *Director General, British Chambers of Commerce, 2011–16*

"The EU interferes with UK firms and stacks the rules in favour of a select number of big businesses. If we Vote Leave, jobs will be safer. We can have faster growth and greater prosperity in the future."

Does the EU protect workers' rights?

Gisela Stuart, *Labour MP and Chair of Vote Leave*

"The rights we have won for British workers came from our Parliament, not the EU. The EU is run in the interests of the big corporations who spend billions lobbying to make it work for them."

All "least developed countries", and many other developing countries, already have duty free access to European markets, including into the UK. If the UK left, developing countries would lose an important advocate.

Prices would be likely to be higher outside the EU. Britain would be likely to impose higher tariffs, not lower tariffs, on our imports. And higher tariffs imposed by other countries on our exports will also tend to push up prices at home.

It is true that our Parliament passed into law the rights that our workers enjoy. But they did so as part of an effort to harmonise labour, social and environmental standards – such as the Working Time Directive. Outside the EU, business might put pressure on the UK government to lower these standards and so initiate a race to the bottom.

The consensus among economists and international organisations is that the UK would be worse off. Of course, UK citizens may decide that this is a price worth paying for "sovereignty" – that is, the ability to make decisions on its own. The UK economy would no doubt survive, as it survived the 2008 financial crisis, but most experts agree that it would be economically worse off as a result, compared to staying in the EU.

If the UK leaves EU, but want to trade with it, it will still have to obey some of its rules. For example, if the UK wants to remain part of the Single Market, it will have to accept a wide range of regulations including free movement of people, as Norway does. UK businesses who export to the EU will have still to obey EU rules, but the UK would no longer have the opportunity to influence those rules. The UK would become a rule-taker, instead of being one of the rule-makers.