Pro-EU Brigade Will Soon Attack By Patrick O'Flynn

WE in the anti-EU movement have had it all our own way in the past couple of years. How could we not have done given the implosion of the eurozone and the blind faith among the Brussels elite that more unwanted integration is the answer to every problem caused by previous rounds of unwanted integration?

As a result of the European Union being exposed as a sclerotic economic twilight zone based around an unsustainable currency union, we Better Off Outers have been able to shift public opinion markedly in favour of withdrawal. The Nobel prize charade this week with Papa Smurf Herman Van Rompuy appearing to believe he was some kind of success story was another public relations gift for us.

Recent polls have shown such a big shift in public opinion that the penny is finally dropping among the complacent political class that we are on course for victory. Or as they prefer to put it: "Britain is drifting towards the exit." Our successes mean that the other side, the side of the establishment, now realises that smearing us as cranks and worse is not working. So I have to warn you that they are about to unveil their heavy guns.

Over recent weeks at Westminster I have heard several whispers that a concerted fightback is planned in the New Year by the pro-EU contingent. It will be based around the one shot they still have in their locker: fear of the unknown.

Already Europe Minister David Lidington has claimed that being outside the EU would "probably" lead to our car exporters being subject to a 10 per cent tariff. Now I hear that captains of industry are to be wheeled out from next month to

warn of potential job losses and lost inward investment if we get out of the EU.

You may remember that similar warnings were made by this mob about what would happen if we stayed out of the euro and they turned out to be 100 per cent wrong. They were also cheerleaders for the disaster of unfettered immigration from Eastern Europe, presumably because it reduced wage rates on their production lines.

So on the basis that it is best to get one's retaliation in first let me explain why so many bosses of FTSE 100 companies are pro-EU membership and why that should make you even more strongly anti-EU.

About nine per cent of British economic activity is made up by exports to the rest of the EU. But at the moment 100 per cent of British economic activity is subject to complex and expensive single market regulations. Big multinationals are more likely to export to the EU than are smaller businesses. Since their scale enables them to employ large compliance teams of lawyers, health and safety specialists, personnel experts and the like, they are far betterable to cope with new Brussels regulations than are smaller players.

So the highly regulated European single market acts as a barrier to entry against smaller companies, allowing multinationals to charge higher prices and gain greater profits to the detriment of consumers. Multinationals are also required to register for tax in only one single market jurisdiction, enabling them to use their scale to negotiate preferential arrangements that are again not open to smaller, single country businesses.

At the same time, multinationals can ensure they remain competitive in other parts of the world by opening factories in non-EU countries where wage rates are much lower and employment conditions inferior. This too is often beyond the

scope of small British businesses.

So the European single market's rules actually promote the so-called "predator capitalism" of which Ed Miliband has frequently complained yet he has turned a blind eye to this. Now, were we to leave the EU but instead agree a Norwegian-style trading deal with it then the nine per cent of the British economy that involves exporting to the single market would indeed continue to be governed by its rules (what David Cameron has referred to as "government by fax").

But the 91 per cent of our economy that is not made up of exports into the single market would be free of its costly regulations and could compete much more effectively for business both at home and in faster growing markets abroad. To many of the business figures determined to keep us in the EU it is a cushy number. But who do you think creates most new jobs in Britain?

Most studies find that more than 60 per cent are created by small and medium-sized enterprises. The more we can build up our SME sector the more consumer choice there will be and the less vulnerable we will be to economic blackmail by large multinationals with an aversion to paying taxes.

Please bear this in mind when they start wheeling out very highly paid people from the top of large corporations to tell you that getting out of the EU will be a disaster. Not for most of us it won't be.