

### The truth about the EU and Brexit

Some Brexit facts you need to know

- 1. "We won two world wars we'll be fine"
- 2. "They need us more than we need them"
- 3. "We will have to join the Euro"
- 4. "We will have to join an EU army"
- 5. "We've got to stop the flood of benefit tourists"
- 6. "They're coming over here taking our jobs"
- 7. "We need to be able to control our borders"
- 8. "We don't want unelected bureaucrats telling us what to do"
- 9. "We don't want EU laws forced on us"
- 10. "We can spend the Brexit dividend on the NHS"
- 11. "Turkey will be joining the EU"
- 12. "The EU accounts have never been signed off"
- 13. "We can trade better on World Trade Organisation rules"
- 14. "We need to get out before the EU collapses"
- 15. "Brexit won't affect the Good Friday Agreement"
- 16. "We have to bail out Eurozone countries"
- 17. "The rebate can be changed against our will"
- 18. "We need to take back our sovereignty"
- 19. "Once Germany lets refugees in, they can flood to the UK"
- 20. "The EU stops us nationalising our services or bailing out companies"
- 21. "The Withdrawal Agreement is a good compromise"
- 22. "The EU has been paying companies to leave the UK for years"
- 23. "You said the economy would crash it hasn't!"
- 24. "We were lied to they knew we'd be lured into an EU Superstate!"

### "We won two world wars – we'll be fine"

**Short answer:** We didn't do this alone. WWII cost approximately £14 trillion in today's money with the loss of 3% of the total world population. Our place in the EU enhances our position as world leaders. Why would we choose to go back to post-war Britain?

**Longer answer:** We're a great country that works well with our allies. We won WWII with help from our European allies,



the Commonwealth and Empire, the USSR and the USA. The EU was established to maintain peace and cooperation across Europe after many devastating wars. We do not want to fight any more wars. We can survive alone, but we'll be poorer for it. Our economy has already shrunk since the referendum, with many companies shutting or moving elsewhere. Allied with the EU we can work together on climate change and influence other nations. We can stand up to bullying from the big powers including Russia, China and the USA. Together we can more easily confront the giant international tax-avoiding corporations and compel them to pay their due taxes. Or we can challenge countries whose values we don't share. Alone we are a great country, together we are leaders within one of the great superpowers!

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### 2. "They need us more than we need them"

**Short answer:** In fact, our need is the greatest. The impact on trade for the EU is split across 27 nations. They can find alternative suppliers in the single market and have been preparing for our exit, so their need has reduced in the meantime. It is harder for our industries who will have to renegotiate or pay tariffs.

Longer answer: The EU is our largest, and closest, trading partner. Being close minimises travel time and costs and is more environmentally friendly. Our trade with the EU makes up 13% of our economy, whereas their trade with us makes up only 3-4% of theirs. Some 44% of our exports go to the EU, compared with 8-18% of theirs to us (depending on how you measure it). An estimated 3,445,000 jobs in the UK depend on exports to the EU. This is even more the case for our service industries. We also rely on EU workers in areas such as the NHS, farming, fishing, hospitality and social care. Plus, we need instant access to vital medicines and the radioactive isotopes needed for diagnostic nuclear medicine tests and cancer treatments! All of this is at risk under Johnson's hard-Brexit deal. Outside the single market, we won't get free trade in services. And with no freedom of movement we won't get the EU workers we need.

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### 3. "We will have to join the Euro"

Short answer: No, we have a permanent opt out.

Longer answer: Compulsory participation in the Euro has never been required for the UK. Denmark and the UK are specifically exempt from adopting the Euro. EU law states. "Unless the United Kingdom notifies the Council that it intends to adopt the euro, it shall be under no obligation to do so". The suggestion that the UK would have to join the Euro came from an opinion piece written for the Daily Telegraph in 2014. The author speculated that the UK might find it difficult to stay out of the Eurozone the stronger it got. But this was only ever speculation and doesn't change the fact that in law we have a permanent opt out. Similarly, the Treaty of Lisbon (which came into force in 2009), confirms the fact that the UK has a permanent opt out. Unless, of course, we leave and then apply to re-join!

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## 4. "We will have to join an EU army"

**Short answer:** For an EU army to be established all 28 EU member countries would have to agree to it. We therefore have a permanent veto on this.

Longer answer: We can never be compelled to join an EU army and our citizens can never be conscripted. The EU doesn't have the legal power to dictate this. EU treaties do allow for a "common security and defence policy". But this can only be introduced if the European Council (that's the heads of government of all the individual member states) requests it and only if it's agreed by all countries. We could therefore use our veto if we so wished. UK law requires parliamentary approval for such a handover of defence power. The Lisbon Treaty has been in place since 2009 and does not change any of these existing laws and protections. In relation to our nuclear deterrent, any decision-making on this is a sovereign matter for the UK. We don't need approval from the EU, the USA, NATO or any other body.



#### Source material:

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https://fullfact.org/online/EU-army-conscription/

### 5. "We've got to stop the flood of benefit tourists"

**Short answer:** EU member states cover the healthcare costs of their own citizens. By definition, EU citizens therefore cannot be 'benefit tourists'.

Longer answer: EU nations pay for their own citizens' health costs, as does the UK when we incur costs elsewhere in the EU. If benefit tourism is occurring, EU inward migration is not a factor. The great majority of EU migrants are working, doing jobs we're often unable or unwilling to do, paying taxes and making National Insurance contributions. The net contribution from EU inward migrants for 2000–2011 came to £20 billion – they prop up our NHS and pensions system. Non-EU nations do not cover their citizens' costs, so we do attempt to recover medical costs from individuals when these arise. It is estimated that 'deliberate health tourism' (people travelling to the country to get NHS treatment) amounts to only £60-80 million a year. Tackling this small problem is therefore a matter for the UK government and has nothing to do with our membership of the EU.



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## 6. "They're coming over here taking our jobs"

**Short answer:** We have a labour shortage in many skilled areas of work that contradicts the notion of 'job taking'. In fact, we have fewer workers every year (due to a falling birth rate) and higher pension costs. Not enough workers are able and/or willing to do many of our available jobs. Overall, EU migrants put more into our economy than they take out.



Longer answer: Each European migrant living in the UK contributes £2,300 more to the public purse each year than the average adult; suggesting a net contribution of £78,000 to the exchequer over their lifespan in the UK. Migrants are working here and some have created employment. Visiting tourists and students also bring cash and create employment here. Our demographic is that of an ageing population that has too few young people to fill our available jobs. We have a labour shortage in many skilled areas of work, such as healthcare, construction, hospitality, information technology and leisure. Across many sectors, we rely on the migrant workforce. For example, migrant doctors and nurses have alleviated staffing shortages in our hospitals, our agriculture and food sectors rely heavily on migrant labour, and migrants fill many vacancies as carers in our retirement homes. Without having to fund their education, our country benefits from having access to this largely young, healthy and willing workforce to do these essential jobs.

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## 7. "We need to be able to control our borders"

**Short answer:** We can control our own borders and being in the EU doesn't change that. We can also restrict EU migration. In addition, our membership of the EU gives the UK Border Force access to security databases that enable them to track and monitor known criminals.

**Longer answer:** None of these border issues relate to our EU membership:

- Border control we inspect identity documents for all people arriving here legally. If we don't have accurate migration data, this is not the EU's fault.
- Illegal immigration requires us to improve our border processes.
- The Schengen area experiences poor border control in some places. However, the UK is not within the Schengen area and never will be, because we have opted out.
- Free movement of EU citizens within the EU is a fundamental principle of EU membership. But there are restrictions. After three months in the UK, EU migrants must be self-supporting or they can be returned to their home country.

# Border Guard

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### 8. "We don't want unelected bureaucrats telling us what to do"

**Short answer:** We directly elect Members of the European Parliament (MEPs) and that Parliament votes on all laws and decisions. No 'unelected bureaucrats' tell us what to do. In contrast, the World Trade Organisation is entirely unelected.

Longer answer: Every person in the UK who is eligible to vote can elect MEPs to represent them in the European Parliament. The UK has 73 of the 751 MEPs. Laws are proposed by the European Commission (28 commissioners nominated by Council – the heads of government of all the individual member states – and approved by Parliament). The Parliament and Council of Ministers (28 ministers from the individual member countries) then debate and sign off on all legislation before it's implemented. Like our own Civil Service, the commissioners who propose legislation are not elected. But they cannot tell us what to do. Only directly elected MEPs and the 28 nominated national ministers approve legislation.

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### 9. "We don't want EU laws forced on us"

Short answer: 87% of our laws are made by our lawmakers at Westminster. We make the remaining 13% jointly with our European partners.

Longer answer: The majority of our laws are made at Westminster. Only 13% are influenced by the EU. These are mainly about consumer protection, product standards, fair competition and environmental standards. The European Commission (like the Civil Service) is responsible for drafting and proposing legislation. These proposals can only become law following debate and amendment by the European Parliament (our elected MEPs) and the Council of Ministers (representing national governments). If we leave the EU, we will need to comply with these laws and standards if we are to trade with the EU and many other countries. However, we will no longer get a say in making them. In total, the UK has only objected to 72 (1.5%) of these EU laws. These include making airlines compensate passengers for delayed or cancelled flights and making sure additives in mineral water are safe and labels are honest.



#### Source material:

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## **10.** "We can spend the Brexit dividend on the NHS"

**Short answer:** There is absolutely no dividend arising from Brexit. Quite the reverse. Our membership increases the amount of trade that we do. It also provides shared ownership of EU bodies and security databases, gives shared access to cultural events, and provides associated jobs via EU companies.



Longer answer: In 2018, our net contribution to the EU budget was only £9 billion: our membership fee (£17.4 billion), minus our annual rebate (£4.2 billion), minus the money the EU spent on us (£4.3 billion). This represents only 0.5% of our Gross Domestic Product (the value of our economic activity), or 1% of all government expenditure. We get back a lot more than £9 billion in return. In 2011, the government estimated the benefits of being in the single market to be between £30 billion and £90 billion a year. Leaving the EU will therefore cost us more than remaining. In fact, the government estimates that all Brexit scenarios will negatively affect our economy. Brexit has already cost the British economy £66 billion since the 2016 referendum, around £1,000 per person. This equates to £423 million a week that could have been spent on the NHS.

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### 11. "Turkey will be joining the EU"

**Short answer:** The UK (and every other country in the European Union) has a veto on whether to allow new members to join. Turkey can therefore only join the EU if we say so. In addition, it would need to meet certain criteria for membership, but is currently unable to do so.

Longer answer: Turkey applied to join the EU in 1999 and has been a 'candidate nation' ever since. But there are two reasons why Turkey cannot become a member. Firstly, candidate nations are required to meet the Copenhagen Criteria: members must be democratic, uphold human rights, have a functioning market economy and accept the principles of the EU. Turkey has been found quilty of human rights violations, especially attacks on freedom of expression and the arbitrary arrest and detention of thousands of people. Secondly, the only way that Turkey could join would be if the UK agreed to it. Article 49 of the European Treaty states that the European Council have to unanimously agree to accept any applications for membership. This also has to be ratified by the European Parliament. In March 2019 the EU formally suspended Turkey's negotiations to join the bloc. If the UK leaves the EU and later requests to re-join, these same rules will apply to us.

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### 12. "The EU accounts have never been signed off"

Short answer: Since 2007, every set of EU accounts has been signed off as an accurate and fair reflection of what was spent.

Longer answer: This myth may have started with the fact that for many years the EU failed to meet the threshold of 2% on the number or errors found. These are transactions which failed to meet EU's procedural standards, often for reasons of technical failure. This is not the same as corruption, fraud or waste. The errors can happen because the EU, or its member countries (including us), failed to follow some requirement in 2% of transactions - often due to the complexity of the EU's spending programmes. Last year the accounts received a sign off below the 2% mark.

#### Source material:

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## **13.** "We can trade better on World Trade Organisation rules"

**Short answer:** No country in the world trades only on WTO rules without a free trade or preferential agreement with one or more other countries. The overall cost from tariffs and loss of trade would be billions a year. Putting a hard border with customs checks between Northern Ireland and Eire would also be incompatible with the Good Friday Agreement.

Longer answer: Unlike the EU, the WTO is an entirely unelected body. The purpose of trade deals is to improve on the base-level WTO terms. Every other country in the world has either negotiated free trade agreements (particularly with their neighbours) or arranged preferential treatment. WTO rules and the EU's single market rules mean we would need border controls that would make trade slower and more difficult. A border on the island of Ireland would also undermine the peace process and damage our chances of free trade deals with the EU or the USA. If we simplify by removing all tariffs and standards we would have to do this for everyone (under WTO rules) and our markets would be flooded with cheap and substandard imports that would put UK companies out of business. But the alternative of having a customs border in the Irish Sea (Johnson's plan) puts the border inside the UK itself!

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## 14. "We need to get out before the EU collapses"

**Short answer:** EU citizens are more committed than ever to the EU project. However, there are no guarantees of its long-term success, particularly if the UK does leave. In the unlikely event that the EU collapses, the impact on the UK would be extremely serious whether or not we were a member.

Longer answer: Since the referendum, support for the EU within all 28 countries has increased. The expected 'domino effect' has not happened, as EU citizens can now clearly see the negative effect of leaving the EU. However, its long-term survival isn't guaranteed. Trump and Putin – and Farage – would love to see the EU weakened or destroyed. It would not be possible to compensate for a major collapse of the EU market by setting up alternative trade deals, therefore the impact on the UK would be significant. The EU is our largest trading partner. Our trade with the EU makes up 13% of our economy and 44% of our exports go there. An estimated 3,445,000 UK jobs depend on exports to the EU. Standing up for our collective interests inside the EU and pursuing our own interest while doing so, is by far the better option.

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## **15.** "Brexit won't affect the Good Friday Agreement"

**Short answer:** The Good Friday Agreement brought peace in the UK and Ireland. Joint Irish and UK membership of the EU, with no border controls between our countries, helped us get this agreement.

Longer answer: When the Good Friday Agreement was established, non-EU membership was unthinkable. The agreement allows people in Northern Ireland to be British, Irish, or both. Goods and people cross the border unhindered. Bringing back border controls between North and South, and treating citizens differently, would undermine peace in the UK and Ireland. The technology we would need in order to have border controls without physical checks hasn't yet been invented. Johnson's agreement gets round this by leaving Northern Ireland in the EU customs union. It ensures no hard border between North and South – but only by creating a border between Northern Ireland and the rest of the UK, in the Irish Sea.

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## **16.** "We have to bail out Eurozone countries"

**Short answer:** The UK contributes to a fund that can be used to support countries financially in an emergency. But by law, we have to be "immediately and fully compensated" for any losses.

Longer answer: The UK can choose to offer financial support to other countries, as it did with Ireland in 2010, but we don't have to. We pay in to an EU fund that can be used to bail out Eurozone countries, but a 2015 EU law guarantees that we will be repaid immediately and fully. We strengthened this further in 2016 when we renegotiated our EU membership. We will also be reimbursed if any of the EU general budget is used to bail out Eurozone countries. When Greece required a loan in 2015, the UK took no part.



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## **17.** "The rebate can be changed against our will"

**Short answer:** Every seven years the EU negotiates its financial framework. The leaders from all 28 member countries need to approve this unanimously. We can therefore veto any change to our rebate.

Longer answer: The EU's Multiannual Financial Framework is agreed by all 28 member countries every seven years. The UK rebate – which reduces our contribution to the EU budget by about 26% – forms part of this agreement and has been in place since 1985. We are the only country to have a permanent rebate. There are no treaties or agreements to guarantee this rebate, and many other EU countries would prefer to see it reduced or removed. But, these decisions require a unanimous vote, therefore we can veto any attempt to reduce or remove our rebate. If we leave the EU and later want to re-join, we will no longer have this rebate.

# EE

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## **18.** "We need to take back our sovereignty"

Short answer: All members of the EU are sovereign and can choose to leave at any time. We decide our own laws and policies and have ultimate sovereignty. We choose to pool some of our sovereignty in the EU, to achieve things we can't achieve on our own. Any international treaty does the same.



Longer answer: Sovereignty is the authority of a country to govern itself and determine its own laws and policies. To do things in common with other countries, we have signed a number of treaties which pool sovereignty. As an EU member, apart from EU immigration and international trade, our government determines the vast majority of our policies and laws and controls more than 98% of its public spending. However, for our national interest we choose to share some of our sovereignty within the EU. This puts us in a better position across many areas including our economy, security and international influence. The European Court of Justice confirmed our ultimate sovereignty in December 2018. It said if a member state has chosen to leave the EU and then changes its mind, it cannot be ejected from the EU against its will. If we leave the EU and negotiate a trade agreement with the United States, we'll come under pressure to change policies like food standards or NHS bulk purchasing.

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## **19.** "Once Germany lets refugees in, they can flood to the UK"

Short answer: The UK is not part of the Schengen area and has opted out of most of the EU asylum policies. We do not have to allow non-EU nationals into our country. The Dublin Regulation allows us to return any asylum seekers to the EU country where they first registered.

**Longer answer:** The UK doesn't have to allow non-EU nationals in, even if they're long-term residents of other EU nations. We are not part of the Schengen



area. We complete document checks for all persons entering the country legally and entry is entirely at our discretion, on the same basis as other non-EU nationals. Although the UK opted into the Common European Asylum System, it opted out of most of the recent reforms on policy harmonisation, meaning we still apply our own rules. The exception was the Dublin Regulation, which allows us to return asylum seekers to the EU country where they first registered. Ironically, we will no longer be able to apply this if we leave the EU. In addition, our bilateral agreement with France – which allows us to implement border controls on French soil and prevent thousands of migrants and refugees from reaching UK shores – is now considered untenable.

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### **20.** "The EU stops us nationalising our services or bailing out companies"

Short answer: EU state aid rules don't prevent us nationalising services or bailing out companies. Our own rules are stricter, which may be why we spend so little on state aid. If we leave the EU, we will almost certainly have to follow state aid rules as part of a future trade agreement.



Longer answer: The EU allows state aid for priorities such as regional development, environmental protection and support for small businesses. It restricts state aid where it wastes public money or worsens inequalities between EU countries. The rules do not prevent nationalisation. They explicitly allow for public ownership in the rail industry. Many EU countries have heavily subsidised their rail and postal operators to ensure high guality universal services. The UK has spent far less on state aid than most other EU countries: in 2016, expenditure in the UK was €8.6 billion, compared with €41.1 billion in Germany. The EU is likely to expect the UK to follow the same state aid rules under any future relationship. WTO rules mean that if we do choose to heavily subsidise an industry to give us a competitive advantage (for example), then other countries can do likewise. There would therefore be no gain from doing this.

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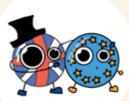
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## 21. "The Withdrawal Agreement is a good compromise"

**Short answer:** The Withdrawal Agreement is a framework for negotiation, not a trade deal. It pulls us permanently out of the customs union and single market, which will cause significant damage to our economy. It also creates a customs border within the UK itself.



**Longer answer:** The agreement negotiated by Theresa May was bad, but this one is worse and the negative impact on our economy would be even greater. It rules out the UK negotiating a new customs union with the EU after we leave. It also pulls us away from the single market by undermining guarantees of workers' rights, consumer protections and environmental standards. The agreement doesn't include our service industries, which make up about 80% of our income as a nation. And on the vital question of Northern Ireland, it is no less divisive than May's deal. The new agreement would put the customs border in the Irish Sea, keeping part of the UK (Northern Ireland) technically in the UK customs union, while also being in the EU customs union. This would create difficult new bureaucratic processes for moving goods to and from Northern Ireland, including paying and reclaiming tariffs. This would be bad for UK businesses and mean treating the Northern Irish differently from other UK citizens.

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### 22. "The EU has been paying companies to leave the UK for years"

Short answer: The EU has never paid companies to leave the UK. Companies make their longterm decisions based on various factors including market forces. In the last three years many companies have chosen to move out of the UK, with Brexit itself being a significant factor.



Longer answer: The European Investment Bank (EIB) loans money to various companies and projects across the EU, including within the UK. EIB lending in the UK came to approximately £6 billion in 2015. In addition, we receive money through the EU Structural and Investment Fund. We are also one of the largest recipients of EU research funding. Our membership of the single market has brought in vast sums in investment, both from businesses headquartered on the continent and international firms that want to use the UK as a springboard to access the bloc. Brexit is already negatively affecting that, with the list of companies leaving the UK, or shifting their assets or jobs to the EU, growing by the day. This already includes major car manufacturers, airlines, cruise operators, insurance companies, technology companies, banks and investment companies as well as the European agencies previously based in the UK.

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## 23. "You said the economy would crash – it hasn't!"

**Short answer:** The Bank of England took immediate action to limit the impact of the referendum, but our economy has slowly fallen behind. It is now one of the slowest growing in the G7. Businesses and assets are leaving the UK. Foreign investment has reduced, along with jobs and tax revenue.

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Longer answer: Our economy didn't crash, because the Bank of England took steps to limit the impact. These included quantitative easing and lowering interest rates. Despite this, UK economic growth is now one of the weakest in the G7. The value of the pound is significantly lower than before the referendum. This affects our cost of living. The number of foreign investment projects into the UK has dropped to the lowest level in six years, which negatively affects job creation. Over £900bn of financial assets have already left the UK. At least 275 companies have moved some or all of their businesses, staff, assets or legal entities from the UK to the EU. This has led to job losses and reduced the massive tax revenues that help fund our public services. Nearly one in three British businesses say they will have to relocate some of their operations abroad to cope with Brexit. In August 2019, UK manufacturing output had been falling for 5 months and was 1.7% lower than a year earlier.

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### 24. "We were lied to – they knew we'd be lured into an EU Superstate!"

Short answer: When we voted on remaining in the Common Market (now the EU) in 1975, the government issued a pamphlet that explained its purpose. Newspapers talked openly about this. It was never simply about joining a free trade bloc. There was no cover up.

Longer answer: The EU is primarily a political project, designed to support peace in Europe. During the 1975 referendum the government sent a pamphlet to all houses to explain what membership meant. This made it clear the project wasn't simply a trading agreement. In 1967, Harold Wilson talked about greater "political unity". The 1971 government White Paper spoke of "an ever closer union ... a sharing and enlargement of individual national sovereignties in the general interest". The 'No' campaign also debated this in detail. The Daily Mail said in 1975 that political union was "No dark secret". The Sun said. "We cannot afford to be half-hearted about Europe". The Daily Telegraph said, "Defence, foreign affairs and economics must all be harnessed to the task of strengthening Europe". Not forgetting, the UK has opted out of the areas where we feel this goes too far, such as the Euro and the Schengen area.

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