

Brexit:

The Right Way

To Leave

Contents

Page

<i>Foreword</i>	3
<i>Setting The Scene</i>	4
<i>EUtopia</i>	5
<i>The Pivot East</i>	7
<i>The Empire Strikes Back</i>	9
<i>British Exceptionalism</i>	10
<i>Uncertainty</i>	12
<i>The Deal</i>	14
<i>The Future for an Independent UK</i>	16
<i>The Political Questions...</i>	18
<i>... And The Answers</i>	19
<i>The World Outlook</i>	20
<i>Cultural Problems</i>	21
<i>Cultural Solutions</i>	22
<i>The Next Chapter...</i>	23
<i>Postscript....</i>	24

Foreword

Two thousand and sixteen could be a historic date. One of those years made famous by the events they encompass. Actions of genuine significance in history like ‘The Great Reform Act’ of 1832 or ‘The Glorious Revolution’ of 1688. Of course it could equally go down as an 1848; a year of possibilities unrealised; a footnote chiefly of interest to counter-factual historians who ask what if?

In the spirit of hypothesis contemplate this notion: if you were an extraterrestrial looking down dispassionately at the Earth, wondering who is your best bet for first contact, you would chose Britain. You would observe that it is the most liberal and tolerant advanced civilisation on the planet. You would notice that its language and culture have spread across the globe. That its politics, law, science, engineering and inventions had shaped the modern world. Throughout its history it had welcomed and assimilated peoples and today its capital could claim to be the most diverse, cosmopolitan metropolis anywhere. You would find that its system of government had the longest pedigree, greatest number of disciples and that its Head of State is respected wherever she goes, cordially received and gracious to all world leaders she welcomes in return. Yes, our alien would conclude, they may no longer be top dog, but they are our best bet at a fair hearing.

Britons are faced with a historic choice in this year, one that goes beyond membership of the European Union. They are asking a question that all mature democracies in the early 21st Century should be asking themselves. Unlike a general election there are no tactical votes to be had, no safe seats, no shades of grey. You are either In, Out or you couldn’t care less.

The referendum, in a nutshell, is a vote on big government. If you believe the problems the world faces can only be solved by unelected officials taking decisions on your behalf, vote to stay in. If you believe that you are better able to face the challenges of this young century by trusting a system of representative government, vote to get out.

That’s it. Economics, security, trade, immigration, emigration, they are all part of a long history. They were there before the EU and will be part of the future whatever the result. The debate itself however, is another matter.

This paper will explore the current relationship between Great Britain and the EU: it will examine some of the warnings, the ‘uncertainty’ that Brexit may cause and the remedies to this. It will also touch on other more general threats to Western civilisation and describe how far from retreating from the world, Brexit is Britain’s answer to them.

Setting The Scene

As the Scottish referendum of 2014 foreshadowed, passions can run high on both sides. Normally mild mannered people suddenly go very red and froth at the mouth. What starts as civil debate often descends into a slanging match as both sides polarise and each set of supporters try to outdo each other in their enthusiasm. Character assassinations take place. Former friends and colleagues are vilified. Attention seeking politicians appear on the airwaves claiming so-and-so is on such-and-such a side solely to further their own ambitions. The media become obsessed with personalities just when they matter the least; there are no names on the ballot paper¹. Many now speculate as to whether there will be a post referendum political realignment such as we saw in Scotland.

Whatever the outcome, one fact is undeniable. Britain will still have to deal with the EU and they will still have to deal with the UK. The island cannot be sailed out into the Atlantic nor be beached upon the continent.

The UK's island station has allowed distinctive culture, laws, values and manners to evolve separately from the mainland. Unlike Japan, its mirror image off the Asian landmass, Britain has never shut itself off from its neighbours, nor has it allowed its culture to develop without significant influence from them. Britons understand and appreciate a common heritage and are instinctively open to the world, indeed see it as the key to their prosperity. However being an island nation has always protected them from external threats and has allowed the British to develop a distinctive worldview to their cousins across the channel. A common law system has evolved from before the time of the Norman Conquest and the Kingdom has claim to even longer roots. Britain has evolved a system of government over the last millennium, from absolute monarchy to constitutional, from Magna Carta to gay marriage, as Edmund Burke remarked "A state without the means of some change is without the means of its conservation"².

No country in continental Europe has ever enjoyed as sustained a period of continuous government as Britain's. The nearest its history could offer would be the Vatican, but it is doubtful whether Remain campaigners would wish to draw parallels with that system of elective autarchy. The Vatican does of course play an integral role in Europe's history. Consider the fall of the Roman Empire; the division with Constantinople; the crowning of Charlemagne; the Holy Roman Empire and the split between the Frankish and German states; the Crusades; the division of Europe between Protestant and Catholic countries; the English Reformation...³

These fault lines led to the devastating wars of the last century and ultimately the EU itself - an attempt to solve once and for all the divisions in Europe by binding together the continent's biggest powers.

¹ Half a century from now, will it matter if a Johnson led this campaign or anonymous Johnson led that?

² *Reflections on the Revolution in France*, 1790.

³ Not to imply that the Vatican was uniquely responsible for these events of course.

EUtopia

... And it worked. In Western Europe the contrast between the two halves of the 20th Century could not be more distinct. Peace, prosperity, the European model of social democratic welfare states seemed, at the turn of the millennium and the birth of the Euro, to have conquered communism to the east and to rival the free market capitalism of the Americans to the west. EUtopia had triumphed.

Unfortunately, as with all utopian ideas, they never survive being put into practise. It was a lie. The EU worked because after the Second World War Germany was finally demilitarised and partitioned. Conceived by Frenchmen, the EU was created upon the French model. Its bureaucracies anchored in Francophone countries, its *fonctionnaires* masters of the French *énarque* tradition. It has a Napoleonic legal system and a worldview that is essentially statist at home and protectionist beyond its new expanding borders. Built on French DNA, it also has that distinctive *ennui* in its genes. While France itself is enjoying its Fifth Republic since the French Revolution, its Fourth Empire is supposedly the best system of government for the whole continent. Of course France itself did very well out of the protections the EU provided. French farmers have ensured the Common Agriculture Policy is inviolate, no matter the cost to Europeans as a whole, or the rest of the world for that matter.

Protectionism breeds inefficiency. The EU allowed the French model to survive well past its sell-by date and created huge structural defects throughout the EU in the process. Worse still, EUtopia grew up under the protection of NATO, or as others might say, the American taxpayer. Where would the money for defence come from today if the USA were to withdraw from the world? EUtopians have already spent the kids' inheritance on their retirement. France, like Britain, has a military and independent nuclear deterrent. Its German neighbour does not. Indeed it was neither France nor the EU that protected Germany during the Cold War and no one believes they could do so now.

The protectionist club that was the original EU is now under assault from internal pressures largely of its own creation and has to deal with effects of globalisation that it was never designed to handle⁴. In addition the accession of the former soviet states has shifted the balance of power east, away from the traditional French base, leaving those nominally in charge unsure of how to respond.

After the rejection of the EU Constitution by the voters of France and Holland⁵, the *énarques* resolved to continue anyway, salvaging what they could in the Lisbon Treaty. This left a power hungry EU Commission vying for supremacy with the Council of Ministers⁶ and the EU Parliament increasingly fed up with its role of merely rubber stamping legislation. Meanwhile the EU acquired more of the trappings of a Superstate including another president and council⁷. However the lack of democratic legitimacy hobbles the project leaving it with a Donald Tusk, not a Donald Trump⁸. The whole veneer of EU governance was a top-heavy soufflé just waiting for a crisis to collapse it.

The folly of the Euro has been discussed *ad nauseam*. For our purpose, let us just look at the outcomes: Far from harmonising, the most efficient economies, the newly reunified Germany to the fore, reaped the benefits while the least efficient economies, led by France, were left

⁴ See <https://www.socialeurope.eu/2015/09/the-migration-crisis-in-the-eu-between-911-and-climate-change>, http://www.slate.com/articles/news_and_politics/foreigners/2015/09/europe_s_migrant_crisis_is_explained_by_economic_globalization_smuggling.html etc.

⁵ In May and June 2005.

⁶ Also referred to as Council of the European Union it is made up of the Member States' Heads of State and "Together with the [European Parliament](http://europa.eu/about-eu/institutions-bodies/council-eu/index_en.htm), the Council is the **main decision-making body** of the EU" (http://europa.eu/about-eu/institutions-bodies/council-eu/index_en.htm). Its working as a 'talking shop' for the Heads of States is fundamentally compromised by the EU Council which is the Council of Ministers and the President of the Commission and the President of the Eurogroup and also a President of the Council itself who supposedly co-ordinates everyone towards a pre-conceived destination.

⁷ See note 6 above. Lisbon gave new legal character to the informal EU Council "The European Council becomes a fully-fledged institution with its own President. Previously, the European Council had been an informal body and the head of the European Council was an unofficial position." (<http://www.consilium.europa.eu/en/history/?taxid=600&p=1>)

⁸ ...To which we may all be truly grateful... Mr Tusk is the current President of the EU Council, the Republican Presidential candidate Mr Trump should need no introduction.

horribly exposed when the whole house of cards collapsed after the financial crisis of 2008. Trying to run a currency union by relying on monetary policy and adherence to the rules alone was always an ill-starred project. Interest rates that suited historically stable German *deutschemarks* were never suitable for Italy and their inflated *Lire*.

The Pivot East

Where did this leave the EU? Paralysed. The Franco-German axis has tipped. It used to be *Merkozy*⁹, now it's just Merkel. Her CDU party hold the balance of power in the European Parliament¹⁰, she herself dominates the Council of Ministers leaving just the Commission. Their own frustrations with the supposedly democratic arms of EU government were neatly summed up by Commission President Jean-Claude Juncker, back when he had to worry about such things, quipping "We all know what to do, we just don't know how to get re-elected after we've done it"¹¹. While the Euro crisis unfolded it became increasingly clear that Angela Merkel was the *de facto* head of the EU and that the *énarques* had become little more than her *EUnuchs* while she cautiously adopted a Grand Wait & See policy.

The status quo, before the migrant crisis at least, suited Merkel very well. Like France pre-enlargement and the Euro, Germany benefits the most from the state of affairs. While the governance of Europe was French, the finances are quintessentially German. The new Members to the east have cultural and economic ties, smoothing their path into the German supply line. Historically however, Germany has never been powerful enough to completely dominate Europe and she is uncomfortable in the role now. The old German Question has resurfaced, namely: How does she deal with the lesser powers surrounding her? Fortunately, while a hundred years ago the question revolved around the military, nowadays it's the economy¹². Germans increasingly resent having to pay for the weaker Members who share the Euro and worry that they will club together to make them do so. They themselves see Germany's trade and budget surpluses rise while theirs' seem to fall in an inverse proportion and resent German economic growth at what they perceive as their expense¹³.

The Euro crisis has brought up all the old European fault lines and the EU's reaction to the migrant crisis has only deepened those divisions. After trying to ignore the crossings into Italy, the numbers choosing the much shorter route into Greece has led to extraordinary measures. While the Commission came up with a plan to distribute the refugees equally among Member States the Balkan nations, followed by the central European ones, put up fences with an alacrity that Donald Trump would envy. The EU's passport free Schengen zone has effectively been ended¹⁴ and while the Commission has tried its usual pan-European model that only answers the questions nobody else is asking, the Member States typically fell out over it. Merkel's response was, against all European treaties, protocols and conventions, to invite a million into

⁹ The slang term used to describe the partnership in the time of French President Nicolas Sarkozy. His successor, President Hollande, increasingly resembles Merkel's butler as he stands to one side while she delivers a policy speech.

¹⁰ The EU Parliament has many different groups whose membership comes from different nations. Of the 751 MEPs, those who are in favour of more integration to a greater or lesser degree reside in the Liberal Democratic Alliance group (ALDE, 70 MEPs); The Social-Democratic group (S&D, 190 MEPs); the Green-Free Alliance group (Verts/ALE, 50 MEPs); the Nordic Green group (GUE/NGL, 52 MEPs) and constitute 362 MEPs, or less than a majority, though the Parliament's President Martin Schulz is from the S&D. Those opposed to further integration to a greater or lesser degree include the ECR group, which the British Conservative Party sit in (74 MEPs); the EFDD group, which is essentially an alliance between Britain's UKIP and Italy's 5 Star Movement (46 MEPs); the ENF group dominated by France's Front National (38 MEPs). The biggest group, the European People's Party (PPE, 215 MEPs), is led by German CDU MEP Manfred Weber (the CDU have the largest number of MEPs within the group at 34) with 16 independent MEPs making up the total. (Source <http://www.europarl.europa.eu/meps/en/hemicycle.html>). The PPE is not opposed to further integration *per se* but represents more national concerns than other groups to their left.

¹¹ <http://www.bbc.co.uk/news/world-europe-27679170>,

<http://www.telegraph.co.uk/news/worldnews/europe/eu/10874230/Jean-Claude-Juncker-profile-When-it-becomes-serious-you-have-to-lie.html>, <http://www.spiegel.de/international/europe/spiegel-interview-with-luxembourg-prime-minister-juncker-a-888021.html>, <http://www.thenational.ae/arts-lifestyle/newsmaker-jean-claude-juncker#full> etc.

¹² See Hans Kundnani *The Paradox of German Power* 2014 for an analysis of the 'New German Question'.

¹³ While Germany has not always run a budget surplus, her balance of trade has nearly always been positive since the 1950s. France on the other hand has rarely run trade surpluses before a prolonged period in the 1990s (post Maastricht) and again for a briefer period in the 2000s. (Source <http://www.tradingeconomics.com/germany/balance-of-trade> and <http://www.tradingeconomics.com/france/balance-of-trade>). For a quick analysis of the French Economy see <http://www.ofce.sciences-po.fr/blog/frances-trade-deficit-entirely-structural/> and

<https://www.stratfor.com/sample/weekly/french-conundrum> for her geo-political dilemma. For the tensions created see <http://www.brookings.edu/blogs/ben-bernanke/posts/2015/04/03-germany-trade-surplus-problem>, <http://www.wsj.com/articles/SB10001424052702303309504579185361910371956>, <http://www.telegraph.co.uk/finance/economics/10980824/Juncker-faces-political-test-as-fines-loom-on-illegal-German-trade-surplus.html>, <http://foreignpolicy.com/2015/02/20/its-time-to-kick-germany-out-of-the-eurozone/>, etc.

¹⁴ See http://www.ecfr.eu/specials/scorecard/schengen_flash_scorecard.

her country with no concern as to how they would get there. In doing so she has alienated her central and eastern allies.

The rights and wrongs of the migrant crisis will not concern us here. The British model of helping refugees closer to their homes seems eminently sensible if one is furthest away and has a moat to hide behind. The EU has fewer options and little experience in implementing them. The effects have been added political unrest amongst the citizenry and threats to social order unseen in the EU's, but not Europe's history. Merkel's policy, while undoubtedly heartfelt, has undermined her authority and led to a rise in support for ultra-nationalist and xenophobic parties. Her recent Turkish deal and the backlash over the prosecution of the German comedian Jan Böhmermann, who dared exercise his right to free speech by insulting the Turkish President, has diminished her further.

The Empire Strikes Back

Merkel's loss is the Commission's gain. The Five Presidents' Report¹⁵ plots out the short, medium and long-term future of the EU. Progress must be made "towards a **genuine Economic Union**" - building on that "successful and stable" currency; "towards a **Financial Union**" which "increases risk-sharing with the private sector" – does anyone remember Moral Hazard? "towards a **Fiscal Union**" that somehow will deliver "fiscal sustainability" and "fiscal stabilisation" - or in other words, "harmonised" (high) tax rates; "finally, towards a **Political Union**" that will give the proceeding Unions "legitimacy" – which in the UK is known as the 'Cart Before the Horse Strategy'. It promises to do all this by creating several new layers of bureaucracy with undoubtedly untold numbers of committees to help form new "Authorities" within Member States to help them towards "harmonised policies". These Authorities would then form various "Boards" which would then work with the other EU institutions to achieve "convergence and further pooling of decision making on national budgets". It also looks at "significant policy areas" such as "digital and capital markets" which as yet the EU has not stuck its beak into. The idea of a "Euro area treasury" is also floated. Buried at the back in Annex 3 (on the last page, where else) it has the almost obligatory catch-all that notwithstanding the above the Commission reserves the right to ignore all the new levels of bureaucracy and Boards which represent Member States, so long as it can explain itself. To whose satisfaction it must justify its actions is unclear. What the report, and the whole Euro elite for that matter, seemed to have missed in building their harmonious 'United States of Europe' is that the United States of America works because traditionally there is variety between the states; if you don't like the tax or regulatory regime in New York you can move to Texas...

The Report also helpfully clarifies "The euro is more than just a currency, it is a political and economic project". The remorseless logic of this project means the EU needs to integrate further. To become more German, less French. To work harder, retire later. To pay more taxes and accept more meddling regulations. How do you sell that to an increasingly sceptical European citizenry, many of whom enjoy the less productive life that will not be possible in the future? Why by *fait accompli* of course.

The political deadlock in Europe has led to an 'Age of the Technocrats'. Central Bankers such as ECB¹⁶ head Mario Draghi, one of the five presidents who authored the report, have been charged with doctoring the patient while they're on life support. However all the technocrats can do is use monetary policy to set interest rates and print money¹⁷. The surgery needed can only be carried out by policy makers yet they are either too timid, too weak or too beyond the pail to reach any working compromise.

At this crossroads of the EU's history the French are being eclipsed by their German partners. Germany itself feels surrounded by weaker economies and is unsure of its leadership role. Western Europe is threatened by its low birth rates into accepting levels of migration that raise questions of social cohesion and possibly the integrity of the Union itself. At this juncture the UK asks the 'Brexit' question.

¹⁵ 'Completing Europe's Economic and Monetary Union' available at http://europa.eu/rapid/press-release_IP-15-5240_en.htm. Published 22nd June 2015, it builds on the seminal, well-remembered 'Four Presidents' Report' of 2012. The author has not provided references. Unlike certain MPs (who may also be historians) the author has actually read the report and would urge everyone to do so. The bold type is the report's own.

¹⁶ The European Central Bank.

¹⁷ Otherwise known as 'Quantitative Easing'.

British Exceptionalism

In many ways Britain has already diverged significantly from the rest of the EU. It is not part of the Schengen zone or the Euro, the two wheels of the EU bandwagon spinning out of control because the cart was improperly hitched. While this has shielded Britain from the immediate effects, they cannot be escaped indefinitely. Whether through higher budget contributions because the economy is doing better relative to the Eurozone's or in greater numbers of people wishing to move to Britain for the same reason, there is no say in the matter, those are the rules. One is tempted to ask where those rules were when Merkel unilaterally opened the EU's borders? Or what rules were in place to stop the excessive borrowing of Eurozone Members and why were they broken by France and Germany precipitating the Euro crisis? Why those rules mean that since Britain adopted the inclusion into GDP calculations of black market activities such as prostitution and drug abuse, in line with some continental friends, EU budget contributions have gone up? The inescapable conclusion reached is that the UK's willingness to follow the rules and the open nature of her laws and economy have been serially abused by the EU.

British opt-outs are often portrayed on the continent as a hangover from Empire. Those silly Brits still think they run the world and refuse to accept reality or some such nonsense. They are never seen as the common sense objections that they are, nor are they treated as such when all the evidence points to the wisdom of those decisions.

What the UK has undeniably shared with the rest of the EU has been high levels of 'welfarism' in the form of increasing state dependency. Again where they have digressed Britain has thrived with limited, though increasing, regulations in the labour market and resistance to mad French ideas such as limiting the number of hours one is allowed to work in a week. Unsurprisingly, the more driven members of the EU's young and unemployed have gone to Britain to take advantage of this. Privatisation, with mixed results, has generally led to competitive industries innovating in ways state owned monoliths cannot.

This has placed Britain closer to the USA's free market system in many respects. However America has recently followed the EU down the overregulated road. Indeed President Obama's move to a more EU-style interventionist big government model makes him a natural cheerleader for the Remain campaign¹⁸. Many Americans are unhappy with the 'anemic (*sic*) growth rates' of their recovery under the Obama Administration at around 2%¹⁹. Well, if you're going to have European spending and regulation then get used to European growth rates. Obama's Secretary of State, John Kerry has echoed his warnings. This is the US's highest foreign policy official and he sees the future as a "complex and borderless World"²⁰ which obviously only big government can regulate. It can only be concluded that it is a great shame that the heirs of Woodrow Wilson would deny even the right to self-determination for the British people.

For that is what a vote to remain is. A statement to the world that Britons are happy to be ruled from abroad by lawmakers they cannot eject, no matter their policies. While some have agreed with a previous US government²¹ in predicting that the EU is doomed anyway and that the UK should not leave and precipitate its collapse; others see the European Superstate as inevitable and that it is at best futile to resist and at worst dangerous to leave. These are known as the 'Lemmings Over the Cliff' arguments. Some claim Britain must stay within for fear of the reprisals the EU will deliver should they exit. This is often referred to as 'Stockholm' or 'Battered Wife'

¹⁸ A report for the Heritage Foundation points out that it is the Obama Administration and the UK's membership of the EU that prevent a US-UK free trade deal, an otherwise simple bi-lateral deal given the similar nature of both economies (<http://www.heritage.org/research/reports/2014/09/freedom-from-the-eu-why-britain-and-the-us-should-pursue-a-usuk-free-trade-area>).

¹⁹ See Bret Stephens *America In Retreat* 2014, Yuval Levin *The Fractured Republic* 2016, Daniel Henninger: "Barack Obama's seven years of zero to 2% growth is killing the American public." (<http://www.wsj.com/articles/the-ryan-trump-summit-1463008193> or indeed any of the countless explanations for the support for 'outsider' Presidential candidates in this year) etc.

²⁰ Speaking at Northeastern University, May 6th 2016.

²¹ The US government's own National Intelligence Council sketched out a scenario where the EU could collapse by 2020 "The current EU welfare state is unsustainable and the lack of any economic revitalisation could lead to the splintering or, at worst, disintegration of the EU" - '*Mapping the Global Future: Report of the National Intelligence Council's 2020 Project*', Published January 25, 2005 (pre "The Great Recession").

syndrome. A few starry eyed idealists also argue the UK should remain within to reform the EU into a free market or socialist paradise. Others still warn of the terrible economic costs; the short-term uncertainty and long-term decline. Some have even put it forward that *as* the Prime Minister is in favour of remaining...

With the greatest respect to Mr Cameron, the Five Presidents' Report is the "more of the same" he warned would produce "less competitiveness, less growth, fewer jobs" back in his Bloomberg speech²². To be fair to the Prime Minister, everybody expected the EU would have to have a new treaty to solve the Euro crisis. Nobody predicted Merkel's intransigence or that the Lisbon framework would prove so malleable to extraordinary circumstances. What cannot be denied is that the EU has proved itself unable to reform. The destination is set, the train may be stuck in the station but as soon as they find someone willing to loan them enough for the onward journey, they'll be off. The recent deal is not worth the paper it hasn't even been written on. There is little point in dissecting it here and as the Remain campaign have found it convenient to forget it, so shall we. However anyone who doubts the above statement go and watch Jean-Claude Juncker and Guy Verhofstadt²³ chortling at the sophistry needed to keep Britain's exemption from Ever-Closer Union in line with the Lisbon Treaty, assuming the EU have not 'regulated' it by now of course²⁴. The 'Master of Lies' and the 'High Priest of More Europe' have a great time comparing accommodating British demands to Belgian surrealism, "*Ceci n'est pas une pipe.*"

What if it works? What if somehow, against all historic precedent, a top-down, monolithic, overregulated, overtaxed, overspending and fast aging continent determined to solve all the world's problems before it can even make Belgium work, manages to make a successful Superstate out of disparate peoples of whom many have explicitly rejected such a concept? Well as trading partners, the view must be that rising tides do indeed help all boats. However if one ship is sinking the other can only deploy lifeboats, not lash itself to the hulk. When the house is on fire and the lunatics who run the asylum are arguing over the correct regulations on how many litres a fire-bucket should safely hold, one may think of heading for the exit. It may be dark outside but day often follows night and there will be the light from the fire in the meantime.

Do Britons trust themselves to make the best they can of this world? Or do they shelter from it behind the skirts of the big nanny on the continent? Do they trust their independence or do they trust that the Mother of Parliaments will not one day share the same fate as the birthplace of democracy or the city that gave the world its first Republic and enjoy an EU sponsored coup such as befell Athens and Rome in 2011? Whether you think the EU will collapse, survive or even thrive, the referendum now transcends that. It is now about what Britain says about itself.

²² David Cameron, 'Bloomberg Speech', London 24th January 2013.

²³ A former Belgian Prime Minister, Guy Verhofstadt now heads the ALDE group in the EU Parliament. His solution to every problem is always further integration. Deeply against any British reforms, at the time of the Bloomberg Speech, he warned that this 'Europe à la carte' would be the end of the EU. He also has called for an end to all countries' opt-outs from the Euro, Schengen etc. Strange then that he was so supportive of the 'deal' reached in February 2016...

²⁴ <https://www.youtube.com/watch?v=qXL6-sG3wzM>.

Uncertainty

'Uncertainty' is a term in common usage. Both campaigns would have to admit to using negative tactics while economic fears are hawked about in almost biblical language. Many Britons feel afraid of leaving. They have had to endure President Hollande's "consequences"²⁵ and his heir apparent M. Macron warning that he will "roll out the red carpet" for the bankers who will leave London for Paris²⁶. They have had warnings from the International Monetary Fund (with more yet to come), the Organisation for Economic Co-operation and Development and the Leader of the Free World himself²⁷. President Obama's remark that Britain would be "at the back of the queue" as regards to any trade deals was slightly at odds with his speech in Germany two days later where he said he wanted the US-EU TTIP trade deal concluded by the end of the year. How long is this queue again?

The IMF report mentions Britain only four times²⁸: In the foreword; predictably in the "Outlook for Individual Countries and Regions"; that the potential of Brexit is one of the "Heightened downside risks" facing the world economy²⁹; finally in a special section of a hundred odd words³⁰. The actual risk from Brexit is quantified as that dreaded word "uncertainty" again as well as potential damage to trading relationships³¹. It is undermined by the report itself pointing out that Britain's strong economic performance will offset any "heightened uncertainty ahead of the June referendum"³². All these are *potential* risks and are hedged with many 'coulds' and 'likelys'. None of the report's authors, no matter how experienced, have ever witnessed such an event and all forecasts should be treated as the worst scenario they wish to imagine.

The OECD report, while more detailed, can be dismissed out of hand. A hatchet job deliberately painting the most damaging picture. In presenting the report one almost expected that OECD head, Señor Gurría³³, would unveil a young Bill Murray to drily warn of "human sacrifice, dogs and cats living together... mass hysteria!" but relations between the US and Mexico seemed to have soured of late. The underlying assumptions of the report, in all of its scenarios, are so flawed as to be laughable. They surmise that Britain would become inward looking with little trade, immigration or investment. Even its most neutral assessments rest on premises such as "most of this stems from the decline in trade openness" or "A failure to undertake regulatory reforms"³⁴ which completely misses the point of why Britain would wish to leave³⁵. Both the OECD and the IMF base their hypotheses on the idea that Brexit is a "turn toward more

²⁵ <http://www.france24.com/en/20160303-hollande-america-calais-migrants-drone-deal-franco-british-summit>, <http://www.theguardian.com/politics/blog/live/2016/mar/03/eu-referendum-french-calais-warning-dismissed-as-propaganda-by-brexit-campaign-politics-live> etc.

²⁶ <http://www.politico.eu/article/france-ready-to-roll-out-red-carpet-for-british-bankers-says-macron-britain-european-union-exit/>, <http://www.thelocal.fr/20160303/calais-migrant-camp-would-move-to-uk> etc.

²⁷ IMF *World Economic Outlook (WEO), Too Slow for Too Long*, April 2016

(<http://www.imf.org/external/pubs/ft/w eo/2016/01/pdf/text.pdf>), *The Economic Consequences of Brexit: A Taxing Decision*, (OECD) April 2016 (<http://www.oecd.org/economy/The-Economic-consequences-of-Brexit-27-april-2016.pdf>). President Obama's visit to the UK, also in April 2016, to wish Her Majesty a happy birthday.

²⁸ There are other more general references eg. "At the same time, long-term government bond yields in Germany, Japan, the United Kingdom, and the United States" (*WEO* Page 7), "fiscal policy is projected to be... somewhat contractionary (*sic*) in Japan, Spain, and the United Kingdom" (*WEO* Page 14) etc.

²⁹ *WEO* Page 24.

³⁰ "Potential Exit of the United Kingdom from the European Union - A British exit from the European Union could pose major challenges for both the United Kingdom and the rest of Europe. Negotiations on post exit arrangements would likely be protracted, resulting in an extended period of heightened uncertainty that could weigh heavily on confidence and investment, all the while increasing financial market volatility. A U.K. exit from Europe's single market would also likely disrupt and reduce mutual trade and financial flows, curtailing key benefits from economic cooperation and integration, such as those resulting from economies of scale and efficient specialization." *WEO* Page 26.

³¹ "In the United Kingdom, the planned June referendum on European Union membership has already created uncertainty for investors; a "Brexit" could do severe regional and global damage by disrupting established trading relationships." *WEO Foreword xiii*

³² "In the United Kingdom, growth (forecast at 1.9 percent in 2016 and 2.2 percent in 2017) is expected to be driven by domestic private demand supported by lower energy prices and a buoyant property market, which help to offset headwinds from fiscal consolidation and heightened uncertainty ahead of the June referendum on European Union membership." *WEO* Page 19.

³³ Angel Gurría, Secretary-General of the OECD, seemed rather animated at the presentation of his report. Former minister in the Mexican government and one of the architects of NAFTA, he is a classic big government man. Moving effortlessly from one world body to the next...

³⁴ *OECD* Page 32.

³⁵ See <http://www.patrickminford.net> for the free trade arguments for Leave. See <http://www.brexitthemovie.com> for a quick idea of the Brexiteers' view of Britain outside of the EU.

nationalistic policies, including protectionist ones”³⁶. The OECD do concede Britain may wish to “improve the business climate” post Brexit but even its best case assumes it would only do so at a speed it calculates partly from Mr Brown’s Ministry, hardly known as a great de-regulating one, and in its worst case that it would do nothing³⁷. Its fundamentally flawed view of the UK is highlighted by its pointing out that despite business opposition to labour market regulation and the Working Time Directive, the “political constellation after Brexit” would probably not heed that³⁸. Perhaps the best example of its partisan nature is in its summation of the financial sector. Highlighting the risks it then, apropos of nothing, mentions that Switzerland exports an even greater proportion of its banking services to the EU but that they got a good deal³⁹.

The truth, as the IMF point out, is that the world economy is in danger of slowing down further. All the problems that face the developed world are the results of exactly the kind of overregulated big government policies the EU and the US have inflicted upon themselves⁴⁰. The UK by comparison, is the healthiest advanced economy excepting Germany, and they are mired in the Eurozone. The fundamentals of the British economy are strong with the highest labour force participation rate in the G7, low unemployment and some of the lowest taxes⁴¹. As well as being the tenth most competitive nation (according to the World Economic Forum), Britain’s GDP per capita is rising year on year and government spending to GDP has fallen from a (criminal) high of just under 50% in 2010 to just over 43%⁴².

The problems facing the UK economy are very different from the rest of the developed world. They lack jobs, Britons need better paying ones. They are highly taxed, the UK has proven that lower taxes lead to a healthier economy. Are there risks from Brexit? Of course, but the dangers and ‘uncertainty’ are mainly due to worries over future policy direction. All the veiled threats and warnings are based on a misunderstanding of the motives behind Brexit and the fact that none of these experts have any real idea of what would happen in the event⁴³. Not one voice on the Out side has called for a ‘bury your head in the sand’ isolationist strategy and even the most strident voices on immigration only call for restrictions to the potentially unlimited numbers EU membership implies. There is also the unquantifiable consideration that a ‘Brexit bounce’ could occur. The Scottish referendum showed a dynamic unleashing of animal spirits despite the result and there is no reason to suppose it will be different south of the border.

³⁶ *WEO Foreword xiii*.

³⁷ *OECD Page 31*.

³⁸ “Despite labour market regulation being among the least restrictive in the OECD, many UK firms find EU labour market regulation too tight, in particular the Temporary Agency Workers Directive and the Working Time Directive. However, there is no guarantee that the political constellation after Brexit would ensure more business friendly legislation in substitution of abolished EU laws.” *OECD Page 29*.

³⁹ “The EU absorbs around 45% of Swiss exports of financial services, despite the absence of passporting (*sic*) rights for its banks, but Switzerland negotiated a favourable agreement when it was planning to join the EU in the early 1990s”. *OECD Page 14*.

⁴⁰ See the section on ‘Secular Stagnation, Hysteresis, and Lower Potential Output’ *WEO*, page 26 etc etc.

⁴¹ Labour Force Participation Rate – UK 78.3 %, USA 63 %, Japan 59.2 %, Canada 65.9 %, Germany 60.3 %, France 56.1 %, Italy 64.5 %. Eurozone average 56.8 %. Unemployment Rate - UK 5.1 %, USA 5 %, Japan 3.2 %, Canada 7.1 %, Germany 4.2 %, France 10.3 %, Italy 11.4 %. Eurozone average 10.2%. Tax rates are calculated as an addition of the marginal rate of Personal Income Tax and Corporate Tax. Sales, Social Security and Sin taxes etc have been excluded. – UK 65 %, USA 78.6 %, Japan 83.9 %, Canada 55.5 %, Germany 77.15 %, France 83.6 %, Italy 80.3 %. Eurozone average 66.7%. (Source <http://www.tradingeconomics.com>).

⁴² Source <http://www.tradingeconomics.com/united-kingdom/indicators>.

⁴³ The view that Brexit is an isolationist or protectionist move is a constant refrain from those opposed to it. The Centre for European Reform (CER) make a similar case to the IMF and OECD in their 2014 report *The Economic Consequences of Leaving the EU* with similar doubts over policy direction.

The Deal

Leaving aside whether rich bankers would wish to pay French tax rates, or the general opinion of the British people on whether such an exodus is desirable or not, the best way to capitalise on Brexit is 'to keep calm and carry on'. The 'uncertainty' is reminiscent of the worries over a hung parliament in 2010. A clear statement by the Prime Minister would allay such fears. The government should not invoke Article 50⁴⁴ until it has agreed upon the correct strategy. A Cabinet reshuffle and probably a new Budget will be needed. The Prime Minister would then appoint a team of negotiators headed by three politicians who are not in government and backed by the best business, legal and civil service brains that can be provided. The government should agree on the deal Britain would offer the EU before entering the negotiations and task the team accordingly.

Many of the fears of Brexit stem from a flawed view of Britain's position *vis-a-vis* the EU. The UK rivals the US as the EU's biggest trading partner. Giving them unfettered access to 'Treasure Island' is a huge bargaining chip. In addition all of those hyperbolic warnings apply to the EU as well. It is not in the interest of either side to drag out negotiations over a decade or descend into some kind of trade war. A bold positive offer to the EU could easily lead to a mutually beneficial agreement.

The British position would be thus: The result of the referendum is a rejection of the political project that is the EU. It is not a rejection of Europe. Britons wish to trade, co-operate and help improve the lives of Europeans, they just do not wish to be ruled by them. Britain is a special case. It is one of the largest European economies. It has its own seat on the UN Security Council and is one of Europe's two real military powers. If one of Germany, France or Italy were not in the EU they would have a special deal due to the size of their economy alone.

The government should be prepared to offer the free movement of goods and services but not peoples. A fast track visa service should be agreed between Britain and the EU based on job offers. Right to remain and dual passports should be offered to all EU nationals currently residing in Britain and a reciprocal arrangement for all British nationals in the EU. In exchange for the unquestioning agreement by Britain that all Member States have indeed followed the EU's byzantine regulations⁴⁵, the EU will accept a British Standards Certificate (BSC) as equally meeting those regulations. The UK will allow free access to its market for EU goods and services in return for a reciprocal arrangement accepting free access to the EU's market for British goods and services holding a BSC. Furthermore, the UK will contribute to certain EU programmes on a voluntary basis dependent on mutually beneficent interests that make such involvement inevitable. Other arrangements such as the European Arrest Warrant, Britain's involvement in Europol and the sharing of intelligence data can be decided separately. Lastly, the government should offer to help maintain the EU's coastal borders separately from NATO commitments.

A new Board of Trade should be set up to oversee the British Standards Certificate. As many of the regulations the EU passes down are global, Britain would have to accept them anyway, "the EU is therefore increasingly becoming a pointless middleman"⁴⁶. The UK would however have a seat on those bodies⁴⁷ that agree on these rules while currently it is the EU that represent its and twenty seven others interests. The new Board of Trade would offer help to all firms wishing to export. If they wish to trade with the EU they would need a certificate and the Board would help them meet the necessary regulations. In reality, as the starting point is that Britain already has these regulations, the Board would only need to help in the future as paths diverge. If British firms only wish to trade within the UK then they would only need to meet current and future regulations and will have no need of the certificate. Thus any future de-regulation Britain conducts need not affect EU-bound goods and services. The Board would offer similar facilities to firms wishing to export to other markets. Where trade barriers do not prevent British firms operating they would be free to offer their products on their own merit. The certificate would imply a certain quality and the Board should offer help to exporters in return

⁴⁴ ...of the Lisbon Treaty, triggering the two year countdown to departure.

⁴⁵ Including the tacit assumption that the mean average of the 27 Member States interests is the best that can be achieved, or indeed hoped for.

⁴⁶ See Roland Smith, *The Liberal Case For 'Leave'*, <http://www.adamsmith.org/the-liberal-case-for-leave>.

⁴⁷ Many are UN bodies, others include the WTO, ILO, IMO etc.

for meeting those standards. The government should be actively promoting the BSC in any future trade deals⁴⁸.

There need be nothing acrimonious in Britain leaving the EU. If it is considered a marriage, there are no children to complicate matters, the UK's children have long flown the nest and set up home elsewhere. The EU wishes to integrate into a deeper union that Britain does not wish to be part of, indeed outside of the Euro and Schengen it is already on a separate course. If the EU is confident in its model it should have no problem in Britain wishing to demure: if it is successful, they benefit; if their opinion is that the UK won't and must be prevented from harming itself then Britons may as well decide they are seen as a slave state...

⁴⁸ The government's aim should be to go beyond the EU and become the gold standard for quality around the world. The EU has to compromise for all its Members to have a level playing field by overregulating those who do not need them to ensure those that do can claim to meet the same standard. To compete, the UK outside of the EU would find smarter ways to meet global trading standards without overburdening business. In the future Britain may have to issue a second class BSC to cover the EU but that is for the long-term by which time, based on historical trends and current directions, the EU's share of British exports will have fallen to such a low level that application for such a certificate would prove to be just the cost of doing business with the EU.

The Future for an Independent UK

"Name a city or state that failed because it taxed too little?"

Greg Abbott, Governor of Texas, May 2016⁴⁹.

As the OECD highlight, the long-term fear that Britain outside of the EU would lead to a decline in investment is again subject to policy decisions. Foreign Direct Investment (FDI) in the UK is one of the drivers of the economy. A free trade deal such as that outlined above would obviously allay those fears but Britain should go further. The government should take the opportunity the short-term 'uncertainty' will afford to drastically revise fiscal policy, too long ignored in favour of monetary in the 'Age of the Technocrats'. FDI is dependent on the rate of return foreign firms can expect from UK investment. The government has made the right move in bringing down Corporation Tax⁵⁰ and should continue to cut this and Capital Gains Tax further. In addition it should cut the rate on income from dividends to encourage investment in British firms⁵¹. Currently it almost mirrors Income Tax rates but is calculated as part of one's personal income. The government should scrap the marginal rate altogether. Ideally it should take income from dividends out of the personal rate and set up a 10% flat tax. This will lead to huge investment in the British economy⁵². The added benefit will be to democratise the stock market as greater numbers will be attracted in, concurrently widening the tax base. Next time there is a 'shareholder spring' it won't just be the 'jobs for the boys' crowd.

The government should also cut taxes on the non-domiciled. Secretary Kerry is correct, the world is "borderless", at least for its 'super-rich'. Due to Britain's liberalised laws, the world's affluent classes already own so much property in the UK; they should be incentivised to spend their time and wealth in Britain, not be driven away. Lower rates will encourage them to invest. This will lead to a rise in productivity as economic output expands. Greater returns lead to reduced unemployment, higher wages and therefore higher tax receipts despite the lower rates. Private wealth creates wealth, not inefficient government spending.

Overall UK tax rates are too high. There is a deeply rooted fallacy in public discourse that raising the rate of tax will generate greater income. The evidence of the last century proves the opposite and for more recent examples try this decade. It may be a facile argument that the rises in VAT and the top rate of Income Tax⁵³ in 2010-11 caused the stagnant growth of the following years but the figures are undeniable⁵⁴. High tax rates are the bedrock of big government and necessitate inept and sometimes damaging spending to justify them. It is essentially a con job pulled on the taxpayer by whosoever is the ruling elite. Big government can at best offer a healthy 2% growth rate which is, coincidentally, just enough to keep those employed by big government wealthy, and those dependent on it docile. This is the poorest ambition for any country and will lead to decline. By simplifying the laws, lowering the rate and broadening the base greater incomes are generated and it is actually the poorest who benefit while the richest end up paying more as income goes to the public purse rather than the highly paid accountants who understand the alchemy of taking the highest paid into the lowest bracket.

Once the greater revenues have come in from the dividend tax, the government should introduce a flat tax on all personal income rather than the progressive system currently in place. A taxpayer earning the average UK salary will pay the same proportion of his income as a taxpayer earning a million. That way everyone would truly 'all be in it together'. Flat tax rates have worked all over the world. Some of the most successful and dynamic economies have them

⁴⁹ The Ricochet Podcast Ep. 303: 'Bigger In Texas', available through iTunes or at <https://ricochet.com>.

⁵⁰ From 28% in 2010 to 20% in 2016. Source <http://www.tradingeconomics.com/united-kingdom/corporate-tax-rate>.

⁵¹ The author does not own any shares nor receive any dividends. The author does not own any off shore wealth nor does he earn enough to pay the higher or additional rates. Nor (to the best of his knowledge) do any of his immediate family.

⁵² Though the government may wish to take measures to prevent salaries being paid completely in dividends, a move in such a direction would not be such a bad thing.

⁵³ 'Sales' Tax from 15-20%, Income from 40-50%.

⁵⁴ Source <http://www.tradingeconomics.com/united-kingdom/sales-tax-rate>, <http://www.tradingeconomics.com/united-kingdom/personal-income-tax-rate> and <http://www.tradingeconomics.com/united-kingdom/gdp-growth>.

but the 'Politics of Envy' in the UK prevents even discussion of such crazy ideas that are proven to increase revenues⁵⁵.

⁵⁵ For a detailed look at the efficacy of flat taxes around the world see *The End of Prosperity* 2008 by Laffer, Moore & Tanous.

The Political Questions...

The current government is in a unique position to change Britain. While there seems to be a rise in socialist movements in both the UK and America they are in no way mainstream. Despite Senator Sanders unlooked for success in the Democratic primaries, an analysis of his support shows they are not the poorest, who vote for his rival⁵⁶. Similarly in the UK, the old Labour movement that has recently taken control of the main opposition is an unholy alliance of unreformed hard-leftists and younger affluent voters attracted by the fresh smell of musty old ideas and for whom it is a short step from social media to socialism. However the left is intellectually bankrupt, their ideas disproven by the history the right forgot to teach. The old New Labour faction is reduced to clinging to the big government statist on the continent while the new Old Labour group see the EU as corporate menace and wish to rewind the European clock back to the 1970s. In the 2015 General Election the public revolted at the thought of a socialist-light party, never mind a socialist one. This is not to assume that the opposition are unelectable. There are political cycles just as there are economic ones and for all their faults they are still *the* alternative government. The Conservative party has made itself electable again but that is not to say it is particularly loved. A vote to leave would unquestionably be a vote for self-determination and you cannot have political freedoms without economic ones. A radical move by the government could entrench lower tax rates for good, to paraphrase Milton Friedman "the important thing is to establish a political climate of opinion which will make it politically unprofitable for the wrong people to do the *wrong* thing".

The reason the left can get any traction is due to the perceived failures of capitalism. One can make an argument for nationalised utilities or railways on the basis that no one is offering to build a new pipe into your home or introduce new tracks for mag-lev trains. The competition principle underpinning the free market gets no suction here. However this is to forget that nationalisation stymies innovation. It is an acceptance of the status quo. An acquiescence to the idea that this is as good as it gets. A surrender to managed decline.

⁵⁶ See <http://edition.cnn.com/2016/04/24/politics/bernie-sanders-hillary-clinton-poor-voters/index.html>, <https://www.washingtonpost.com/news/the-fix/wp/2016/02/22/younger-votes-didnt-come-through-for-bernie-sanders-because-they-almost-never-do>, etc etc.

... And The Answers

In recent times, putting one's trust in the free market has been given a bad name. Whether it is for the 2008 crash or the behaviour leading up to it, capitalism has been under attack. Yet it was not the free market that crashed the world economy but government interventions. In both Britain and the US, the economic gains of the free market governments of Lady Thatcher and President Reagan were squandered by those that followed. While President Clinton governed as a centrist and was moderated by a Republican-controlled House, the Bush Administration that succeeded ended up spending in a most un-Republican way. The size of Mr Blair majorities effectively made him an elected dictator. After following the economic plans of Conservative Chancellor Kenneth Clarke in their first term, New Labour went on a very Old Labour spending spree in their subsequent ones. The results were to entrench crony capitalism in oligopolistic markets while government spending and regulations grew. By interfering in the markets they created bubbles. Addicted to high tax receipts, assured that all their regulators had everything in check and convinced they could manipulate the markets to solve domestic housing policy, they allowed firms to become too big to fail, then encouraged them to lend and spend like it was 1999 and we were all at the end of history. When the market tried to correct itself the systemic risk panicked policy makers into the biggest transfers of debt ever, yet seemed to absolve anyone of responsibility.

Hence free market capitalism, the force that has raised more people out of poverty than any other ism, has one of the worst reputations imaginable. Ask yourself why key sectors are dominated by the Big Three, Four, Five or Six? Big government and big business go hand in hand, just look at the biggest lobbyists in Brussels and then check their kickbacks or not so big tax returns. Big government passes big laws that make it impossible for all but the biggest firms to navigate. Big government tells you when you can take your children on holiday, and the big holiday providers raise prices as demand rises against supply. Big government says you cannot care for your elderly parent because it has taken all your money so you cannot afford the big prices the big care home providers charge. Big government says 'don't worry, we'll look after you', and then proceeds to do so in the most inefficient manner while trapping its dependents in the morass it creates.

Government's role should be to protect its people. It should have firm, clearly understood and limited laws. It must be willing and able to prosecute those laws if they are broken⁵⁷. It should not have a legal and regulatory system so complex that its own agents can't understand them. If sectors are mastered by too few players then its regulators should look at barriers to entry or too much inorganic growth, otherwise it must trust the free market, it is "the best path to prosperity"⁵⁸.

An example of the free market at work is now so entrenched in modern life we take it for granted. It has become so ubiquitous we carry it in our pockets without a thought. It's called the Internet⁵⁹. In the future, connectivity and technological changes will render trading blocks like the EU completely obsolete. Imagine the impact of 3D printing. A firm in Northern Ireland designs and sells a product, let us say tables. It finds a partner in Thailand, sends them the file, they print out the model, modify the design a bit, perhaps to suit Thai table tastes, and send it back. They do and fro until everyone is happy. Before you know it bespoke Northern Irish tables are competing in the Thai market. Where is the EU needed in that?

In leaving the EU Britain would have to spend more on its border service; investment should also be made in the military with new naval spending a priority; both services will need many smaller ships in the future. Strategic interests in the Mediterranean and a commitment to the EU's defence will be the price tag of free trade. As the government seems ready to nationalise the steel industry it may as well give them something to do. Shipbuilding and naval expansion should help the whole country, from Scotland to Cornwall. If government spending can ever be a good thing, then defence of the realm is surely it.

⁵⁷ As Professor Niall Ferguson argued in his second BBC Reith Lecture "*The Rule of Law and its Enemies*" 26th June 2012.

⁵⁸ Larry Kudlow, *ad infinitum*...

⁵⁹ Though some argue the Internet has become dominated by big players such as Google, Twitter and Facebook, you can still *choose* not to use them.

The World Outlook

If the USA is about to cripple itself with the pseudo-socialism of Senator Sanders, the trillion dollar stimulus of Secretary Clinton or the threatened protectionism of Mr Trump⁶⁰, then who will guarantee the trade links the world economy depends upon? Certainly the UK cannot do so alone, but it can show the way. This is not some kind of 21st century gun-boat diplomacy, it is an inheritance and duty to the world. If Britain will not stand up for trade, justice, the rule of law and the values underpinning the global system who will? If America continues as the West's sugar daddy then, while they may heave a sigh of a relief, Britons still have a duty to help them. If you believe it is impossible to cut taxes and achieve such ambitions then recall that President Kennedy set the US the task of landing a man on the moon and returning him safely to the earth by the end of the 1960s, while simultaneously setting out a plan to cut the top rate of tax by 21 percentage points. They did it in two years and it remained unchanged for the next seventeen⁶¹.

Great Britain has a unique opportunity to shape the 21st century. The challenges ahead are the same problems all advanced nations in this world will have to solve, with a queue of developing countries to follow. If it can find the solutions they can be exported around the globe. One of the biggest is healthcare. How can a modern civilised country guarantee healthcare free at the point of use and pay for it? If an answer to this question is not found then aging populations will cause the social contract between the generations to break down.

As technology leads to cutbacks from large employers governments will be faced with choices; they can either try regulating those technologies and taxing the ever-decreasing productive classes to shower 'helicopter money' on the rest; or deliver economic freedoms and allow their populations to use those innovations to the best of their abilities by trusting their dynamism. The EU is heading in the former direction. A vote to leave would be the latter, a vote for the 21st century.

It is often said that the two greatest challenges facing us are global climate change and Radical Islamic Terrorism. These two problems are in many ways entwined. The world buys oil from the middle-east to keep Western civilisation working and creates large Carbon Dioxide emissions in the process. In return the vast wealth in the region has led to a mosaic of oligarchies of varying stability of which some promote a more fundamental Islamic message to keep their populations repressed and then export that message around the globe. Others have gone even further as the world witnessed on September 11th 2001⁶². Unless ways are found to power our countries and run our transport that does not have oil as its core element we will never reduce CO2 emissions nor have a chance of defeating Fundamentalist Islamic Terrorism. These are challenges shared by partners around the world and only technological innovation and the free market can solve them. Big governments such as the 'Coalition of the Defeated' that is the EU will only stifle the free market and will potentially allow either the 'medieval thugs' or the 'eco-loon fringe' to destroy or de-industrialise our civilisation.

⁶⁰ A rational analysis of Mr Trump's policies is unavailable due to the contradictory nature of his pronouncements. His fiscal plan is very pro-business, especially for SMEs, but some of his trade policies are reminiscent of those from the 1930's that caused the Great Depression.

⁶¹ From 91% in 1963 to 70% by 1965. (Source <http://taxfoundation.org/article/us-federal-individual-income-tax-rates-history-1913-2013-nominal-and-inflation-adjusted-brackets>). It remained until the Reagan cuts of the 1980's.

⁶² This is not an accusation against any government in the region. It is a fact that 15 of the 19 that day were Saudi nationals, no link to any official Saudi government has been proven nor would it be in their interests to carry out such an attack.

Cultural Problems

It is a real concern that so many young people in Britain and across Europe are so willing to give up the lives their parents and grandparents have built for them in the West and embrace a medieval death cult. Why do so many second and third generation children of migrants in modern Britain today in effect decide to move and live under the Spanish Inquisition? This is not even a specifically Islamic trait; why do young people of Hindu origin decide they will have a better life in India where the economic opportunities are now so similar?

While the UK today is welcoming and tolerant there have been many problems along the road. Why does it let the legacy of these problems poison today's Britain when it can boast a tolerance to minorities that surpasses all others? Yes it is never perfect, but it's a long way from the 'No Blacks, No Jews, No Irish' signs of yesteryear. At the time of writing the winner of the Mayoralty of London is a man named Sadiq Khan. The British stars of the London Olympics in 2012 were a woman of mixed race heritage and a man born in Somalia. A key figure in the current England cricket team, and one of the few to play all three formats, is a devout Muslim with whiskers so voluminous the fans have fondly endowed him with the sobriquet 'the beard that is feared'. In the upcoming European football Championships the current England manager could pick an outfield team of completely non-white English players on merit and no one would bat an eyelid.

What is the problem then? Why does a small minority of British minorities so reject modern Britain and all the opportunities it offers? What can a so-called post-modern country offer? This is a failing of the collective British people. They have moved away from their Christian heritage and as society has secularised it has also lost its self-confidence. A new puritanism stalks the land, the spawn of big governments' favourite top down, politically correct ideologies. Free Speech and the Free Press, the foundations of British liberty, are its targets. Those employed by government are now paid to act as Lords and Masters rather than Public Servants; the view increasingly becomes 'what can I get out of the state?' instead of 'how can we do better?' Cynicism has set into the national psyche to an alarming extent⁶³. Britons have post-colonial guilt drilled into them. They worry that to even ask questions about immigration numbers somehow makes them racist rather than rational.

Immigration is a good thing. Any modern dynamic economy needs migrants to grow. Migrants are generally driven by the attraction of opportunities denied to them. They bring energy and evolution with them. Many also do not remain indefinitely but in returning to their homes they create long lasting relationships with the countries they have worked in. If some are attracted by welfare benefits then it is the duty of the host nation to eliminate those incentives. However membership of the EU prohibits such actions. Emigration is also a good thing. It fosters links with friends around the globe while skills and innovations learnt abroad are applied back at home. Uncontrolled immigration poses serious risks to societal cohesion and places strains on creaking public services. Too much emigration represents a loss of skills, experience and potential. While Britain should be welcoming to those who have the urge to seek a better job and life, it must also be mindful not to steal the human capital of friendly nations nor deny opportunities to its own people. 21st Century Britain must find the right balance to this policy. This can only be done outside the EU.

⁶³ Declaring an interest, the author is a self-confessed cynic.

Cultural Solutions

For those that say that the Union of the Kingdom itself may not survive, a reaffirmation of British values is the antidote. It may be appealing to some Englishman for such a break up to occur, but a rump UK dominated by its strongest member, or an independent England for that matter, would be a piratical influence on world affairs instead of a positive one. It is the idea of Britain as a shared heritage that has been undermined by the UK's membership of the EU.

Understanding science and technology is the key to the future but the past must not be ignored. While greater use of the Internet and the government's tendency to liberalise education will bear long-term fruits, the government should insist that English and History be mandatory till A-Level, even if not tested beyond GCSE. All school children should know their Shakespeare and British History; both teach more about life than any citizenship class can. It is a curious inanity that Her Majesty's Department for Education preaches Citizenship to Her Majesty's subjects. Is there something wrong with choosing one of the many examples Shakespeare provides? *Coriolanus* tells of a national hero who in frustrated pride turns against his homeland. Written as one of many biographies by the Greek Plutarch in the time of the Roman Empire, these inspired some of Shakespeare's finest works⁶⁴. Are there not universal truths in a tale recorded by a Greek fifteen centuries before Shakespeare's birth about a Roman five centuries before his? While Shakespeare is considered a national treasure, few seem willing to use the lessons he teaches instead of the diversity studies some have wasted tens of thousands of pounds on. As Spiro Agnew might say if he were alive today: "Education *has* been redefined, at the demand of the uneducated, to suit the ideas of the uneducated". How can young people be expected to appreciate Parliamentary democracy if they do not know about the Civil War? Shared British history is the core of the Union, yet few Scots realise how many of their forebears built the modern world under the British Empire. Worse still, few Britons seem to know that it was Britain that first outlawed the slave trade, at the height of her death struggle with Napoleon, and policed the policy. The story might be long and complex and there were faults along the way, but instead of an honest appraisal of the Empire, which essentially explains how we all got here, the preference is to keep quiet on the matter and allow it all to be labelled as a fascist enterprise.

A vote to leave would be a vote for British values. These cannot be spelled out by any politician giving a speech. They are intangible, which is perhaps why there is no single written British constitution; try describing why one can hear a piece of music by Vaughan Williams for the first time, *blind* so to speak, and instinctively know it is English? Or why one can sit and listen to the fiddle player in an Edinburgh pub and feel Celtic roots? They are the reason that men from all over the world travelled vast distances to defend a particular idea of liberty, no matter if they had ever even been to Britain or even still wanted to be ruled by her. They are the reason the Royal family are still held in such high regard, an otherwise absurdity in a modern democracy. They are based on a shared history, a feeling that something special has been handed down by our ancestors, and that it is a duty to pass it on to our children.

The EU can never inspire such quite pride, understated loyalty or gentle patriotism that represent the sum of British values. It can only undermine them.

⁶⁴ *Julius Caesar, Anthony and Cleopatra* etc.

The Next Chapter...

The UK's implausible membership of the European Union will be decided upon on June 23rd. If Britons vote to Remain they will be closing the door on a unique history in exchange for a satellite status to a dying star. There is nothing to fear in Britain exiting the EU. If the UK votes to leave it will be the start of a new chapter, not a new book. It would be Britain declaring, as it always has, that it is open to the world. That it is confident of its own place in that world. That it does not need to be part of any big government project because it is scared of the modern world. A vote to leave would not be a step in the dark. It would not be Britain burying its head in the sand. It would be a signal that it is confident enough to build the future. A country willing to stand up and say 'this is the place to be'. A nation whose government brings opportunities to its people, who acts as a trampoline rather than catching them in an ensnaring net. A society welcoming to migrants, that says 'want to come and join us? Great, here are the rules'. A United Kingdom that is proud of its long history, optimistic about what lies ahead and willing to work with everybody else to make that possible.

This paper has attempted to point out the incompatibility of British membership of the European Union. It has also been the aim to do so without any of the acrimony that unfortunately has so characterised the debate thus far. If it has failed then one would hope this is due to the author's own shortcomings rather than the argument itself. There is a better way, the right way to leave....

Nicholas Turner, May 2016.

Postscript....

If you have made it through the above please be advised that while your endeavour is to be commended, it is really not worth losing friends over this issue. Whether you have been swayed either way by the above, it will all be neutered by the great God of our times...

Yes ladies and gentleman, the bi-annual global marketing and football tournament is upon us. Ironically this time it's the limited European version. Who can predict how the national team's performance will affect the vote? Who can predict how the national team will play? For the last fourteen years football fans have been reduced to waiting for England to be eliminated at the group stage so the agony could end and the tournament proper begin. This time all the home nations bar Scotland have qualified, so it's an even bigger Mystic Meg affair...

So while you watch everyone fall out over the referendum, the results being called long before the main events arrive and it's known to all and sundry that whichever side they believe is destined to win will win... Comfort yourself with the thought that a disputed penalty or a red card against any of our sides or theirs' could render all of the above completely meaningless...

N.T.