PRICEVALUEPARTNERS

Darkest hour

"This is your decision. The government will implement what you decide."

Text from the UK Cabinet Office, delivered to every household in the country, 2016.

From <u>Brexit Central</u>, by <u>Robert Tombs</u>, Emeritus Professor of French History at the University of Cambridge and co-Chairman of Briefings for Brexit:

When historians of the future look back on Britain in our time, they will surely see our row over Brexit as extraordinary. Not because people disagree and campaign: that is normal and healthy; but because an influential section of the country, and particularly of its upper classes, are refusing to accept the will of the majority as legitimate or binding. It is no exaggeration to call this a revolt..

Its unusual nature is shown by the arguments of its hardline supporters – arguments that would undermine any democratic system, and which have rarely been heard in any advanced country since the nineteenth century. For example: that most voters do not know what they are voting for; that working-class voters are too ignorant to make a choice; that people without advanced education should have their political rights reduced; that older people's opinions have inferior legitimacy..

Up to now, it is those who voted Leave who have been scrutinised as an oddity – poor, old, stupid, 'left behind', and so on. But what of those who are still scrambling to keep us, in one form or another, in the EU, despite the fact that the EU is visibly in crisis, and despite the fact that by resisting the will of the majority they are risking a political and constitutional crisis?...

There seem to be three main categories of Remainers: Ideological Remainers, Professional Remainers and Worried Remainers.

The Ideological Remainers, however vocal, are a small minority: opinion polls suggest about 5 per cent of the population. They include young people, some of whom, our findings suggest, have adopted a kind of Euro-nationalism. There is also an older generation of Ideological Remainers: I vividly remember at a meeting in London to discuss national identity an elderly middle-class lady, trembling with rage, saying 'Why are we wasting time discussing this *thing*, England'. They have in common a negative image of both our history and our present society, which they convince themselves are tarnished by exploitation, racism and violence. 'Europe', they think, must save the

British from themselves, and the other peoples of Europe from being at each other's throats. This group provides the flag-wavers for Remain.

More formidable in numbers and influence are the Professional Remainers: executives of multinational companies, employees of lobby groups and think tanks (many receiving funding from the EU), academics in receipt of EU grants, politicians representing Remain parties or constituencies, retired politicians who supported or indeed worked for the EU, civil servants and diplomats whose careers have been built round integration with the EU. For this group, familiarity with EU systems and contacts in Brussels give a major career advantage; conversely, Brexit poses a career risk. They provide the brain and muscle for the Remainer revolt..

The third and largest category are the Worried Remainers. Most who voted Remain – a third of the total electorate – said that they did so primarily because they were worried about economic consequences. Their support for the EU is conditional and negative – as a lesser evil. This is the only group likely to change its mind if and when 'Project Fear' proves bogus and which wants the Government to 'get on with it' and provide leadership..

Do Remainers as a whole share any common assumptions? One appears to be 'declinism': the idea that Britain is a diminished and weak country unable to function economically or politically on its own. Another is that 'Europe' is a guarantor of peace and harmony. A third – though surely weakening in the face of the facts – is that the EU represents 'the future'. Rational discussion of all these issues is desirable. But the hard-core Remainers are unlikely to be converted, especially those Professional Remainers whose personal interests are at stake.

From The New Statesman, by John Gray:

..there will be no going back. The [June 2016] vote for Brexit demonstrates that the rules of politics have changed irreversibly. The stabilisation that seemed to have been achieved following the financial crisis was a sham. The lopsided type of capitalism that exists today is inherently unstable and cannot be democratically legitimated. The error of progressive thinkers in all the main parties was to imagine that the discontent of large sections of the population could be appeared by offering them what was at bottom a continuation of the status quo.

As it is being used today, "populism" is a term of abuse applied by establishment thinkers to people whose lives they have not troubled to understand. A revolt of the masses is under way, but it is one in which those who have shaped policies over the past twenty years are more remote from reality than the ordinary men and women at whom they like to sneer. The interaction of a dysfunctional single currency and destructive austerity policies with the financial crisis has left most of Europe economically stagnant and parts of it blighted with unemployment on a scale unknown since the Thirties. At the same time European institutions have been paralysed by the migrant crisis. Floundering under the weight of problems it cannot solve or that it has even created, the EU has demonstrated beyond reasonable doubt that it lacks the capacity for effective action and is incapable of reform..

In recent debates, Quisling MPs and unelected peers have resorted to the purest sophistry, citing sources such as Edmund Burke's speech to the electors of Bristol in their appeals to override the legitimate plebiscite held in the UK on 23 June 2016, in which 17.4 million people voted to leave the EU – more voters than have ever voted for anything, ever, in our country's history. But a General Election is one thing – parties compete using broad manifestos, and Burke's original statement of selective policy independence in the cause of utilitarianism has some pragmatic merit. But a national referendum is quite another thing, amounting to what can ultimately only ever be a straightforward mathematical majority voting for a single outcome. It permits of no cavilling over terms after the fact. (The awkward fact, for the Remainers, being that the wrong side won.)

Now the first shots have been fired by the private sector. On Wednesday 16th June, the BBC reported that pub chain Wetherspoons would be replacing French champagne with English sparkling wines, and transitioning other of their products towards non-EU-manufactured alternatives. If the British Parliament regrets the sudden and, so far, limited deterioration in prospects for unconstrained free trade with the EU – well, it only has itself to blame. If the electorate's votes are going to be treated as worthless, members of the public will just have to vote with their wallets, instead. Speaking as asset managers, we also have a choice where we invest our clients' capital for optimal returns, given the inevitable attendant risks. If the UK is going to be kept to all intents and purposes within the economic straitjacket of the EU, well, there are plenty of other places to seek returns. Markets like Japan and Vietnam are particularly cheap, and, by dint of being based in Asia, already offer superior growth prospects to those available in the moribund EU. But the recent degradation of British politics remains dismal to behold. A democracy dying in darkness is bad enough. A democracy dying in plain sight is, surely, infinitely worse.





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