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Brexit: A Very British Revolution

The vote to leave the EU began as a cry for liberty and ended as a rebuke to the establishment

By FRASER NELSON June 24, 2016

Never has there been a greater coalition of the establishment than that assembled by Prime Minister David Cameron for his referendum campaign to keep the U.K. in the European Union.

Brexit has been big in the news recently. And has given rise to a huge amount of emotive commentary, much of which can best be described as “ranting”.

The effect on markets was savage but short, and most have pretty much returned to their previous positions.

As an example of how overdone the market reaction was, I can’t do better than quote from research by Aurora Funds, who calculated that only 2.4% of the profits of the top 200 ASX companies came from exports to the UK or operations in the UK in 2015. Yet the market fell by 18 times this amount.

Talk about an overreaction.

Against this background of kneejerk reaction, half-baked commentary and outright rant, I was delighted to read this sober, considered and well argued account of Brexit, in The Wall Street Journal.

We reproduce it here, with permission from The Wall Street Journal.

Enjoy the read.

There was almost every Westminster party leader, most of their troops and almost every trade union and employers’ federation. There were retired spy chiefs, historians, football clubs, national treasures like Stephen Hawking and divinities like Keira Knightley. And some global glamour too: President Barack Obama flew to London to do his bit, and Goldman Sachs opened its checkbook.

And none of it worked. The opinion polls barely moved over the course of the campaign, and 52% of Britons voted to leave the EU. That slender majority was probably the biggest slap in the face ever delivered to the British establishment in the history of universal suffrage.

Mr. Cameron announced that he would resign because he felt the country has taken a new direction—one that he disagrees with. If everyone else did the same, the House of Commons would be almost empty. Britain’s exit from the EU, or Brexit, was backed by barely a quarter of his government members and by not even a tenth of Labour politicians. It was a very British revolution.

Donald Trump’s arrival in Scotland on Friday to visit one of his golf courses was precisely the metaphor that the Brexiteers didn’t want. The presumptive Republican presidential nominee cheerily declared that the British had just “taken back their country” in the same way that he’s inviting Americans to do—underscoring one of the biggest misconceptions about the EU referendum campaign. Britain isn’t having a Trump moment, turning in on itself in a fit of protectionist and nativist pique. Rather, the vote for Brexit was

about liberty and free trade—and about trying to manage globalization better than the EU has been doing from Brussels.

The Brexit campaign started as a cry for liberty, perhaps articulated most clearly by Michael Gove, the British justice secretary (and, on this issue, the most prominent dissenter in Mr. Cameron's cabinet). Mr. Gove offered practical examples of the problems of EU membership. As a minister, he said, he deals constantly with edicts and regulations framed at the European level—rules that he doesn't want and can't change. These were rules that no one in Britain asked for, rules promulgated by officials whose names Brits don't know, people whom they never elected and cannot remove from office. Yet they become the law of the land. Much of what we think of as British democracy, Mr. Gove argued, is now no such thing.

Instead of grumbling about the things we can't change, Mr. Gove said, it was time to follow “the Americans who declared their independence and never looked back” and “become an exemplar of what an inclusive, open and innovative democracy can achieve.” Many of the Brexiteers think that Britain voted this week to follow a template set in 1776 on the other side of the Atlantic.

Mr. Gove was mocked for such analogies. Surely, some in the Remain camp argued, the people who were voting for Leave—the pensioners in the seaside towns, the plumbers and chip-shop owners—weren't wondering how they could reboot the Anglo-Scottish Enlightenment for the 21st century. Perhaps not, but the sentiment holds: Liberty and democracy matter. As a recent editorial in *Der Spiegel* put it, Brits “have an inner independence that we Germans lack, in addition to myriad anti-authoritarian, defiant tendencies.”

Mr. Cameron has been trying to explain this to Angela Merkel for some time. He once regaled the German chancellor with a pre-dinner PowerPoint presentation to explain his whole referendum idea. Public support for keeping Britain within the EU was collapsing, he warned, but a renegotiation of its terms would save Britain's membership.

Ms. Merkel was never quite persuaded, and Mr. Cameron was sent away with a renegotiation barely worthy of the name. It was a fatal mistake—not nearly enough to help Mr. Cameron shift the terms of a debate he was already well on the way to losing.

The EU took a gamble: that the Brits were bluffing and would never vote to leave. A more generous deal—perhaps aimed at allowing the U.K. more control over immigration, the top public concern in Britain—would probably have (just) stopped Brexit. But the absence of a deal sent a clear and crushing message: The EU isn't interested in reforming, so it is past time to stop pretending otherwise.

With no deal, all Mr. Cameron could do was warn about the risks of leaving the EU. If Brits try to escape, he said, they'd face the razor wire of a recession or the dogs of World War III. He rather overdid it. Instead of fear, he seemed to have stoked a mood of mass defiance.

Mr. Obama also overdid it when he notoriously told the British that, if they opted for Brexit, they would find themselves “in the back of the queue” for a trade deal with the U.S. That overlooked a basic point: The U.K. doesn't currently have a trade deal with the U.S., despite being its largest foreign investor. Moreover, no deal seems forthcoming: The negotiations between the U.S. and the EU over the trans-Atlantic Trade and Investment Partnership are going slowly, and the Brits involved in the talks are in despair.

Deals negotiated through the EU always move at the pace dictated by the most reluctant country. Italy has threatened to derail a trade deal with Australia over a spat about exports of canned tomatoes; a trade deal with Canada was held up after a row about Romanian visas. Brexit wasn't a call for a Little England. It was an attempt to escape from a Little Europe.

Many British voters felt a similar frustration on security issues, where the EU's leaders have for decades now displayed a toxic combination of hunger for power and incompetence at wielding



it. When war broke out in the former Yugoslavia in 1991, the then-chair of the European Community's Council of Ministers declared that this was "the hour of Europe, not the hour of the Americans—if one problem can be solved by the Europeans, it is the Yugoslav problem." It was not to be.

Nor did the EU acquit itself much better in more recent crises in Ukraine and Libya. Field Marshal Lord Charles Guthrie, a former chief of the British military, put it bluntly last week: "I feel more European than I do American, but it's absolutely unrealistic to think we are all going to work together. When things get really serious, we need the Americans. That's where the power is." Brits feel comfortable with this; the French less so.

Throughout the campaign, the Brexit side was attacked for being inward-looking, nostalgic, dreaming of the days of empire or refusing to acknowledge that modern nations need to work with allies. But it was the Brexiteers who were doing the hardest thinking about this, worrying about the implications of a dysfunctional EU trying to undermine or supplant NATO, which remains the true guarantor of European security.

In the turbulent weeks and months ahead, we can expect a loud message from the Brexiteers in the British government: The question is not whether to work with Europe but how to work with Europe. Alliances work best when they are coalitions of the willing. The EU has become a coalition of the unwilling, the place where the finest multilateral ambitions go to die. Britain's network of embassies will now go into overdrive, offering olive branches in capital after capital. Britain wants to deal, nation to nation, and is looking for partners.

Even the debate about immigration had an internationalist flavor to it. Any member of any EU state has had the right to live and work in Britain; any American, Indian or Australian needs to apply through a painstaking process. Mr. Cameron's goal is to bring net immigration to below 100,000 a year (it was a little over three times that at last count). So the more who arrive from the EU, the more we need to crack down on those from outside the EU. The U.K. government now

requires any non-European who wants to settle here to earn an annual salary of at least £35,000 (or about \$52,000)—so we would deport, say, a young American flutist but couldn't exclude a Bulgarian convict who could claim (under EU human-rights rules) that he has family ties in the U.K.

To most Brits, this makes no sense. In a television debate last week, Mr. Cameron was asked if there was "anything fair about an immigration system that prioritizes unskilled workers from within the EU over skilled workers who are coming from outside the EU?" He had no convincing answer.

The sense of a lack of control over immigration to Britain has been vividly reinforced by the scenes on the continent. In theory, the EU is supposed to protect its external borders by insisting that refugees claim asylum in the first country they enter. In practice, this agreement—the so-called Dublin Convention—was torn up by Ms. Merkel when she recklessly offered to settle any fleeing Syrians who managed to make it over the German border. The blame here lies not with the tens of thousands of desperate people who subsequently set out; the blame lies with an EU system that has proven itself hopelessly unequal to such a complex and intensifying challenge. The EU's failure has been a boon for the people-trafficking industry, a global evil that has led to almost 3,000 deaths in the Mediterranean so far this year.

Britain has been shielded from the worst of this. Being an island helps, as does our rejection of the ill-advised Schengen border-free travel agreement that connects 26 European countries. But the scenes on the continent of thousands of young men on the march (one of which made it onto a particularly tasteless pro-Brexit poster unveiled by Nigel Farage, the leader of the anti-immigration UK Independence Party) give the sense of complete political dysfunction. To many voters in Britain, this referendum was about whether they want to be linked to such tragic incompetence.

The economists who warned about the perils of Brexit also assure voters that immigration is a net benefit, its advantages outweighing its losses.

Perhaps so, but this overlooks the human factor. Who loses, and who gains? Immigration is great if you're in the market for a nanny, a plumber or a table at a new restaurant. But to those competing with immigrants for jobs, houses or seats at schools, it looks rather different. And this, perhaps, explains the stark social divide exposed in the Brexit campaign.

Seldom has the United Kingdom looked less united: London and Scotland voted to stay in the EU, Wales and the English shires voted to get out. (Scottish First Minister Nicola Sturgeon has already called a fresh vote on secession "highly likely.") Some 70% of university graduates were in favor of the EU; an equally disproportionate 68% of those who hadn't finished high school were against it. Londoners and those under age 30 were strongly for Remain; the northern English and those over 60 were strongly for Leave. An astonishing 70% of the skilled working class supported Brexit.

Here, the Brexit battle lines ought to be familiar: They are similar to the socioeconomic battles being fought throughout so many Western democracies. It is the jet-set graduates versus the working class, the metropolitans versus the bumpkins—and, above all, the winners of globalization against its losers. Politicians, ever obsessed about the future, can tend to regard those left unprotected in our increasingly interconnected age as artifacts of the past. In fact, the losers of globalization are, by definition, as new as globalization itself.

To see such worries as resurgent nationalism is to oversimplify. The nation-state is a social construct: Done properly, it is the glue that binds society together. In Europe, the losers of globalization are seeking the protection of their nation-states, not a remote and unresponsive European superstate. They see the economy developing in ways that aren't to their advantage and look to their

governments to lend a helping hand—or at least attempt to control immigration. No EU country can honestly claim to control European immigration, and there is no prospect of this changing: These are the facts that led to Brexit.

The pound took a pounding on the currency markets Friday, but it wasn't alone. The Swedish krona and the Polish zloty were down by about 5% against the dollar; the euro was down 3%. The markets are wondering who might be next. In April, the polling firm Ipsos MORI asked voters in nine EU countries if they would like a referendum on their countries' memberships: 45% said yes, and 33% said they'd vote to get out. A Pew poll recently found that the Greeks and the French are the most hostile to the EU in the continent—and that the British were no more annoyed with the EU than the Swedes, the Dutch and the Germans.

The Brexit campaign was led by Europhiles. Boris Johnson, the former London mayor turned pro-Brexit firebrand who now seems likely to succeed Mr. Cameron, used to live in Brussels and can give interviews in French. Mr. Gove's idea of perfect happiness is sitting on a wooden bench listening to Wagner in an airless concert hall in Bavaria. Both stressed that they love Europe but also love democracy—and want to keep the two compatible. The Brexit revolution is intended to make that point.

Mr. Gove has taken to borrowing the 18th-century politician William Pitt's dictum about how England can "save herself by her exertions and Europe by her example." After Mr. Cameron departs and new British leadership arrives, it will be keen to strike new alliances based on the principles of democracy, sovereignty and freedom. You never know: That might just catch on.

Mr. Nelson is the editor of the Spectator and a columnist for the Daily Telegraph.

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