

## Article by John Browne

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### BREXIT VOTE INSPIRES FALSE ECONOMIC WARNINGS

As the June 23<sup>rd</sup> BREXIT vote draws near, the polls indicate a close result. Those urging a vote for the UK to remain subservient to the EU are deploying increasingly ominous warnings of the economically disastrous effects of a British exit from the EU. However, the same leaders shed no light on future restrictions and taxes to be placed on EU citizens under continued membership of a growing EU superstate. The prime concern of those intending to vote for the UK to leave the EU is that the fundamental reason given them for joining was to become members of a huge free trade area. However, the whole EU idea has morphed surreptitiously into a drive for a EU superstate, with all its member states dissolved into regions each reporting directly to an unelected EU Commission in Brussels.

The Pro-EU membership camp is led by Prime Minister David Cameron, supported by most of his Cabinet, the powerful machinery of government, including the Bank of England, the BBC and the massive UK and EU government funding of advertising. Given this weight of power it is amazing how strong the support for a British exit (BREXIT) has remained.

The case of the Pro-EU camp is based on two fundamental tenets. First they continue playing down and even hiding the adverse effects on national sovereignty resulting from the formation of a EU superstate.

In particular the published EU intent to divide the UK into eleven regions all reporting directly to Brussels is kept remarkably quiet. Although Scotland, Wales and Northern Ireland will remain intact as individual national regions, England will be split into **eight** regions. Worse still, many coastal counties of England will be teamed with regions in Portugal, France, the Netherlands and Germany, almost always in a minority role. Even the English Channel is to be renamed. **It may have escaped the notice of many even in England that voting for the EU Parliament is conducted already by these regions.**

It appears that the Franco-German axis is out to do away with awkward little England and bring her people to heel. Naturally, this has been kept quiet and subject only to occasional leaks. The British folk have no idea what will hit them if they believe Cameron and fail to break free. **In addition, the UK is the second largest net contributor to EU finances. Likely, it will follow that the 8 English regions (with**

**Scotland, Wales and N. Ireland considered as 'relatively poor') will in aggregate be the second largest suppliers of future covert intra-EU money transfers from the so-called 'rich' to the poorer southern and eastern regions of Europe.**

Very little mention is made of the EU proposal for EU wide ID and tax numbers, likely heralding a heavy EU socialist taxation regime. Likewise, the proposals for EU armed forces have been put quietly on the back burner. England has for some two thousand years fought constantly for its freedom. In just the past two centuries she has stood alone before inspiring allies to defeat Napoleon and then Hitler. The presence of French or German armed forces used to support a European police force in the UK will not sit well with the English.

All this and many more threats to the British people have been kept largely quiet. Meanwhile, the main activities of the Pro-EU group have been concentrated on the economic and monetary catastrophe that would face the UK if it were to cut itself off from trading with the EU. Some call this, 'Project Fear'. The actual underlying facts paint a somewhat different picture, one that makes the Pro-EU case appear misleading, even deliberately so.

The basic argument is that with about 60 percent of its current trade with the EU, the UK would face a catastrophic economic and monetary collapse if it left the EU. As a threat, this sounds potentially devastating and therefore an overwhelming argument of fear. Doubtless it has persuaded some. But in the light of reality a different and far less worrying image emerges.

The UK has the fifth largest national economy in the world. In its present state of economic stagnation, the EU can ill afford to lose the UK. According to the Office of National Statistics, the UK has had a negative trade balance with the EU that has averaged over \$2 billion a month between 1955 and 2015. If the UK were to leave without being able to negotiate an independent trade deal, the EU economy might shrink by some \$24 billion a year.

The Pro-EU camp ignore this trade balance issue completely and threaten, as did President Obama, that the UK would be left out in the cold and unable to negotiate its way out of a disaster. Like Switzerland?

Switzerland is not a EU member and has an economy of less than a quarter the size of the UK's. And yet she exports 4.5 times the value per person to the EU than does the UK. With a negative EU trade balance why would the UK be unable to negotiate, from outside, a trade agreement at least as good as that achieved by Switzerland?

**[As an aside, I mention a conversation I had over dinner one day with my occasional Lords and Commons golfing partner Dennis Thatcher. He asked me how the UK would survive alone in an era when world power blocks and corporations were getting bigger? I replied, “In the same way as Switzerland.” He retorted while hitting the table hard with his hand, “That’s just what Margaret thinks!”]**

Further, the EU negotiates international trade agreements under the auspices of the World Trade Organization (WTO) in the primary interests of the EU, not of the UK. England has flourished in the past by trading globally, especially with the U.S. and the British Commonwealth. The EU has no trade agreements yet with China or Japan. Outside the EU, the UK would be enabled to negotiate freely to trade with the entire world and be unfettered by the EU where it has a muted voice of 1 among 28 members.

Furthermore, free of burdensome and costly EU regulations, the British economy likely would be reenergized, particularly among the vital job creating small business sector.

In addition to economic collapse, the Pro-EU camp postulates that Sterling, still one of the top five global trading currencies, would plummet following a BREXIT. However, many informed observers believe the international monetary system is on the cusp of a major collapse. In these circumstances, the vital interests of the Fed, ECB, Bank of Japan and even the Bank of China would be to steady the ship to avert a collapse of fiat currency. Unimaginable amounts of central bank money would be deployed to save Sterling, rendering it a false scare.

On the other hand, although the UK is not a member of the euro, a BREXIT indirectly would threaten the euro, now the world’s second currency.

Already a number of EU members are experiencing anti-EU sentiments among their people. The United Kingdom Independence Party (UKIP), which forced the BREXIT vote, is not alone. It is part of a sizable block styled the Europe for Freedom and Direct Democracy (EFDD) group, in the EU parliament. It is comprised of representatives from the UK, France, Sweden, Italy, Poland, Lithuania and the Czech Republic. In addition, countries like Greece, Spain, Portugal and even Italy are becoming very unhappy about the implications of Eurozone membership. A BREXIT vote could ignite an implosion within the Eurozone rather than being a threat to Sterling. This is what worries the international central banking and political elite most. It has led directly to massive global elite support for Cameron’s Project Fear.

If the British public wises up to David Cameron's game of fear and vote for BREXIT, there will be some short-term shock and disruption in currencies, equities, bonds, precious metals, international flights and possibly employment. However, the global central bank and political elites will move very fast to avoid development of any deeper problems. Negotiations likely will be concluded very quickly that will calm things down with minimal damage to the UK economy or to Sterling.

Regardless of the outcome of the BREXIT vote, the majority of Conservative party members doubtless will feel that Prime Minister Cameron has acted in a deceitful and unpatriotic manner. Likely he will resign soon after the vote and be succeeded as Prime Minister either by George Osborne or more probably by Boris Johnson, a leading BREXIT proponent and the most popular politician in England.

**END            JB            (1,420 words)**