

BY BERNARD CONNOLLY

No Deal

*It's in the world's interest
for Brexit to be successful.*

It is impossible to understand how any open-minded person could, after observing the behavior of the European Union in the “negotiations” on Brexit, believe it would have been in Britain’s interest to remain part of that empire. The cant, hypocrisy, arrogance, bad faith, malevolence, imperial ambition, defense of *nomenklatura* self-interest, hostility towards democracy, sovereignty, and freedom, and contempt for economic rationality so characteristic of the European Union have been very much on display.

That should have been no surprise to anyone who has read the account by Yanis Varoufakis, the former finance minister of Greece, of the “negotiations” with the European Union on Greece’s financial travails. It is astonishing that Varoufakis should still, after his bruising experience with the unredeemably and irredeemably thuggish EU apparatus, profess any faith in the “European ideal.”

It is even more astonishing that the British government has not declared what its EU adversary most fears: that Britain will trade on World Trade Organization terms, respect principles of international law—and thus pay not a penny of the so-called “divorce bill”—and free itself as totally as possible from the corrosive influence of the European Union. If the European Union then came to Britain with a request for a free-trade agreement along the lines of the Comprehensive Economic and Trade Agreement, as undoubtedly it would, Britain would be very open to such a request: the European Union would want such an agreement because of its mercantilist desire to protect its massive trade surplus with Britain; Britain would want one because of the country’s free-trading instincts.

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But the British government, and its so-called civil service which behaves like a prisoner so accustomed to being told what to do by Brussels warders that it has become institutionalized and afraid of having to assume responsibility again, has allowed itself to be seen as *demandeur* (to use the diplomatic jargon), fearful of “no deal” and begging for as many as possible of the EU shackles to be retained—and willing to pay any amount of British taxpayers’ money for the privilege of being shackled. This, contrary to German Chancellor Angela Merkel’s pompous assertions about “walking away,” is the true absurdity. And as long as the British government thinks of itself as *demandeur*, it will be surrendering the upper hand—which in economic and political logic it possesses—to what Chancellor of the Exchequer Philip Hammond accurately described as Britain’s enemy (and in truth the enemy of democracy, decency, and economic rationality in every European country): the European Union.

UK Prime Minister Theresa May’s apparent inability to do the sensible thing and use the negotiating advantages which Britain possesses is explained in part by the obscurantism of the civil service but also by a combination of several other factors. First was her own disastrously inept conduct of the 2017 general election campaign, which lost the Tories their majority in the Commons. This was just four weeks after local elections in which the Tories made big gains, and opinion

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the impression it supported Brexit, but has subsequently done everything it can to undermine that blessed escape as part of a cynical attempt to create a political crisis which would allow the Trotskyites who now control Labour to seize power in Britain. Next has been the concerted attempt by the global *nomenklatura*—big business, the finance industry, multinational organizations

Frozen in Fear

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UK Prime Minister Theresa May at a press conference at the European Council meeting in Brussels, March 9, 2017.

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such as the International Monetary Fund and the OECD, many news media, the Treasury, and, shamefully, the Bank of England, to resurrect the Project Fear campaign of disinformation which had limited the “Leave” majority in the referendum.

Typical of the wrecking efforts has been the campaign by that political hobgoblin, former Prime Minister Tony Blair, and his ghastly coterie, seemingly aimed at extinguishing a threat to the idea of a world government run by and for people like himself, a threat represented by Britain’s vote for independence. The idea that ordinary people could go into a ballot box and disrupt the *nomenklatura*’s cosy cartel of power has been simply shocking to the global *nomenklatura*’s members—“Davos Man,” in Brussels, in Britain, and also in the United States, where the election of Donald Trump was seen as another threat to the ability to ignore the *hoi polloi*—and equally shocking to the modern-day equivalent, that deluded metropolitan unintelligentsia, of what Lenin called the “useful idiots.”

Much more shocking to the *nomenklatura* has been the courageous stand by that minority of public figures who have defended Brexit and the desire for independence, democracy, and the rule of law and simple political decency which it reflects. Such brave and patriotic figures have been treated as “class traitors” by the *nomenklatura*, which seeks to shout down and shut down any expression of support for Brexit. As that great scholar of the original Soviet Union, Leonard Shapiro, put it, writing penetratingly of Stalin’s view, “The true object of

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propaganda is neither to convince nor even to persuade, but to produce a uniform pattern of public utterance in which the first trace of unorthodox thought reveals itself as a jarring dissonance.” The propaganda offensive by the pro-EU *nomenklatura* is a chilling example of the practical implementation of that Stalinist view.

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Furthermore, the European Union’s evident desire to “punish” Britain (for no offense whatsoever) gives the lie to the mind-blowingly ludicrous notion that the European Union is a positive force in the world. It is acting as if it were at war with Britain. Indeed, it is at war: with what it sees as the so-called “Anglo-Saxon model” of the relations between the state and the individual. In effect, one of the main driving forces of the European Union has been, and is, to reverse the result, as (mis)perceived on the Continent, of the Second World War: a triumph of the “Anglo-Saxon” world over the Continental world. Sadly, the European Union has allies in Britain—and the United States—equally committed to ensuring that the terribly corrupted form of the “Anglo-Saxon model” which actually exists is replaced not with something closer to its idealized, but so far uninstantiated, form, but rather with an undiluted rule of the self-serving transnational *nomenklatura*, the “citizens of the world” so rightly castigated by Theresa May earlier this year.

While Shapiro highlighted the true purpose of Stalinist propaganda, German business organizations have been shedding light on the true purpose of the so-called Single Market. By declaring that “the integrity of the Single Market” is more important to them than tariff-free access to the British market, they are making it very clear that the attraction to them of the Single Market is precisely the opposite of free trade: the attraction seems to be the ability to influence regulation

so as to hobble competition and eliminate contestability. There can be little doubt that the Single Market regulatory web has been a significant contributor to the slowdown in productivity in the European Union and notably in Britain. There, the spirit of entrepreneurial innovation is strongest, and its stifling by Single Market

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membership is most damaging (and the positive dynamic impact of freeing Britain from the Single Market is simply ignored in the models that the Treasury and others use to try to scare the *hoi polloi*).

Similarly, I wrote in the previous decade that there are only three things the European Union dislikes about British financial markets: they are British, they concern finance, and they are markets. The accuracy of that assessment is now surely obvious. The lascivious ogling by the European Union of euro clearing in London and the evident EU desire to de-integrate global financial regulation creates serious risks to financial stability in the euro area. But the European Union does not care: “punishing” Britain is far more important to it than is the welfare of the peoples of its subject-states.

Given this, it should be clear that there is great danger for Britain in the chimera of a “transition period.” The touted advantage of a transition period is that it would give British business more time to adjust to the “end state.” But that would simply postpone the need for the European Union to ask Britain for a free-trade agreement (or to show itself yet again to be contemptuous of economic reason). And it would exhaust British negotiating resources which should instead be spent on ensuring free trade in the end state.

But the real purpose of a “transition period” as seen by the civil service and the *nomenklatura* is to provide an excuse for not making preparations now for a “no deal” outcome. Such a postponement would be disastrous. It is almost certain that at the last moment some part of the

EU apparatus—the so-called European Parliament, national or regional parliaments, or the so-called European Court of Justice—will block a “transition” deal. And if the British government has put all its eggs in the “transition period” basket, the cry, however hollow and deceitful, will go up that the country will be “stepping off the edge of a cliff” unless it reverses its decision to leave the empire. One can be quite sure that this scenario is exactly the one that appeals to Remainiacs in Britain and to the unashamedly anti-British EU apparatus. For the government to rely on the “promise” of a transition period would be catastrophic.

Even if a two-year transition period after March 2019 actually happened, things would be no less dangerous. The Remainiacs within the Tory Party would strive to reverse Brexit even after formal departure from the empire.

Moreover, the frictional difficulties associated with the end of the transition period—no decision as bad as that to join what was then the EEC in the first place can be reversed totally costlessly, however great the costs of not reversing it would be—would be felt just a year before the next scheduled general election. A combination of protracted division within the Tory Party, and the enormous propaganda effort there would undoubtedly be to play up any frictional difficulties, could put the Trotskyites in power.

The financial institutions and others who are trying to make life difficult for the British government in its ef-

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forts to escape from the European Union are playing with fire. A Trotskyite regime in Britain would see the end of London as an international financial center of any kind.

And what that would do—via capital controls, for instance—to the global financial system does not bear thinking about. It could bring the collapse of capitalism, not just in Britain but in the world. Ultimately, it should be seen as in everyone’s interest, except for those who want to destroy capitalism and democracy, for Brexit to be successful. And that means “no deal.” ◆