

Sentiment versus logic and economic rationality – the challenges of Brexit

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This week, we are informed, is ‘make or break’ for Theresa May’s Brexit withdrawal agreement. Assuming that nothing cataclysmic happens between now and Sunday – given the events of the last week anything seems possible – the heads of government from the remaining 27 EU countries will sign off the deal. Then, of course, there is the small matter of the withdrawal agreement being ratified by the UK Parliament.

If logic and rationality were the guiding maxims in this process it would be reasonable to assume that everything will be in place for the UK’s ‘departure’ from the EU on the 29th March next year. However, it’s worth remembering that from the outset what eventually became the EU was, in large part, based on the sentiment of creating a better Europe.

The barbarity and brutality of the second world war was the catalyst among governments post-1945 in Europe to do everything possible to avoid repetition. Accordingly, in 1951 the Treaty of Paris led to the creation of the European Coal and Steel Community (ECSC) which, ostensibly, was intended to assist countries recovering from war through economic cooperation. The underlying belief being that such cooperation would cement solidarity and integration that would ensure future conflict became much less likely.

The UK’s entry in January 1973 to what was by then the EEC (European Economic Community), was based on economic logic. Being part of the trading group on its ‘doorstep’ offered considerable opportunity. However, sentiment associated with what is still referred to as ‘the special relationship’ with the US scuppered an initial attempt to join the EEC.

In January 1963 France’s President Charles de Gaulle laid down what were regarded as impossible terms for the UK to join the EEC. President de Gaulle, whose antipathy towards the US resulted from

resentment at US involvement in the retaking of France after D Day, was concerned that the UK would effectively be a 'Trojan horse' in allowing the US influence by proxy. As even Europhile *Guardian* remarked in a leader at the time, "In the last resort Britain is an Atlantic power before she is a European one, and her ties with the United States matter at least as much as her ties with Continental Europe."

That the UK persevered in its application to the EEC – helped by Georges Pompidou succeeding Charles de Gaulle as French president in 1969 – suggests that there was a time when the arguments concerning membership were driven by logic and the desire to be part of a future in which Europe was united by the goals of shared peace and prosperity. That these objectives, however imperfect, have been largely achieved should demonstrate the wisdom of being part of the EU; an organisation widely criticised and undoubtedly in need of reform.

Since joining the EEC in 1973 just under 46 years, the UK has, at times, been perceived by other European countries to be not the most enthusiastic member. The fact that within 18 months a referendum on continued membership of the EEC in June 1975 had been held didn't help. This referendum was the fulfilment of a Labour party manifesto in the February 1974 election to reconsider the terms of accession.

Though the contemporary Labour party still contains divisions, in the early 1970s it contained many who vehemently argued that the EEC was far too overtly supportive of capitalism and British workers would suffer as a result of continuing to be a member. The outcome of the 1975 referendum, in contrast to the more recent one in June 2016, did at least provide an unambiguous result of 67.23% voting yes to staying in the EEC compared to 32.77% voting out of a total of 25,903,194 votes.

The UK had voted overwhelmingly to remain a part of the EEC and business could concentrate on availing of the opportunities that would, its advocates had asserted during the referendum, make us all better off. Though Margaret Thatcher had her spats with Europe over budgets in the early 1980s, famously referred to having given the other leaders a 'hand-bagging', she remained wedded to the belief that continued membership was in the UK's national interest.

What stirred up the emotions of those within the Conservative party far more aggressively opposed to Europe than those in the Labour party was the what was seen as the desire by the EEC to create a more overtly political union. This objective, they argued, was demonstrated through enlargement on the basis of the Single European Act, signed by foreign ministers in February 1986 in Luxembourg and the Hague, followed by the Maastricht Treaty, agreed on 10 December 1991 and which came into force on 1 November 1993.

Maastricht, in particular, became the touchstone for Eurosceptics due to what was seen as the objective of creating an effective United States of Europe in the form of the European Union. The sentiment among Eurosceptics was that Maastricht showed that remaining a member of the European Union (EU) would initially undermine and eventually destroy British sovereignty. The premiership of John Major, who'd replaced Margaret Thatcher in November 1990 after she had been challenged by uber Europhile, now Lord Heseltine, was characterised by the machinations of the increasingly vocal and daring cabal of Eurosceptics; many of whom are still active to this day.

The activities of the Eurosceptics caused David Cameron to call the referendum of June 2016 to, it was assumed at the time, show that the public did not support with them in the way that Prime Minister Wilson had achieved back in 1975. Unfortunately, Cameron's belief in his previous experience in public relations backfired and, as Theresa May knows to her cost, the scars of Brexit will not heal easily.

The deal that is currently on offer by Theresa May offers, it appears, the most effective compromise that will protect the rational interests of business – who are increasingly exasperated at what they see occurring as a result of Brexit resulting in intense uncertainty – whilst addressing the sentiments of those in who consider themselves to have been disadvantaged by the free movement of labour. On this basis Theresa May deserves to be supported and the deal that has been achieved supported by politicians of all persuasions.

Nonetheless, it seems, nothing short of a 'no deal' Brexit, likely to induce economic chaos, will slake the thirst of those who an aide of Cameron famously referred to as "swivel eyed loons" and are fuelled by their that this is essential to allow the UK's to once again control its

own destiny and economic affairs. As May's enemies happily proclaim, any price is worth paying to be free of the EU which has slowly but surely strangled the UK through regulations written by faceless and unelected bureaucrats in Brussels.

If no deal is indeed the outcome of the Brexit process then the worst excesses of irrational sentiment will have triumphed over the logic of economic rationality and what is expedient for the present and future generations. As a consequence, there will be a terrible legacy from our decision to rescind our membership of an organisation that was originally created to achieve peace and prosperity.