



A SPECIAL MEETING

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**FROM THE PAST TO THE FUTURE:
IDEAS AND ACTIONS FOR A FREE SOCIETY**

CHAPTER THIRTY-FIVE

BREXIT: TAKING A GOOD IDEA INTO ACTION

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Brexit: Taking a Good Idea into Action

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It's an honour to be here on the 40th anniversary of the last Mont Pelerin meeting at Hoover. Back then, Margaret Thatcher had just come to power in the UK and was about to embark on a great programme of reform, freeing up the economy from the dead hand of the state. Now, we in the UK are experiencing the thrill of another push for freedom: Brexit.

This session is about taking ideas into action, and my focus will be on Brexit. As you know, there has been a little difficulty implementing it, but we are getting there... The first thing to say is that Brexit is a great idea - so great, in fact, that it was invented by the American founding fathers.

After all, many of the founding fathers were freeborn Englishmen, fighting George III, a German king, with his Hessian army. A familiar battle between the English and the Germans, then. With a familiar result...

That separation was very good for America, of course. So there are reasons to be very excited about Brexit. After all, we should remember that spinoffs tend to outperform the market, largely due to the freedom to innovate and streamline. We can set our own standards, our own rules. We can thrive - maintaining a safe distance from the inevitable decline of the Euro.

But what was the original idea of the EU? Of course, it all started with Jean Monnet and the European Coal and Steel Community. To introduce free trade in resources. To tie together the perpetually feuding nations of Europe and avert future conflict, they pretended. The idea actually was that the world needed a European superstate, to hold the balance of power between the American superstate and the Soviet superstate. The later collapse of the Soviets didn't seem to change their argument.

But overall, the idea was to develop a superstate under cover of a free trade block. Which might, at the time, have seemed appealing to many Brits - because we were the victims of a bad idea ourselves. That of 'managed decline' - that Britain was on a downward slope from empire to ignominy, and the greatest ambition of any Prime Minister was to slow this down. Only Margaret Thatcher had the will, and the policies, to change direction.

But before her, to slow managed decline was the main reason we joined the European Economic Community in 1975.

Throughout our membership, the argument went that the loss of national political control is always a price worth paying for overall economic gain. That was what we were led to believe when Britain signed up to the Common Market in the first place. And even Margaret Thatcher signed up for further integration in 1986, when the EEC changed into the EU. She

was persuaded that some independence would be lost but decided that the economic gain – and the benefits that would bring people in the UK – would outweigh those losses.

Boris Johnson called this ‘the Faustian pact of the EU’ – surrendering something precious in the form of national autonomy to make everyone richer. But we know that Faust was eventually dragged off to hell...

So it’s perhaps unsurprising that growing for many decades since has been the idea of leaving the European Union. And great ideas have many fathers, many parents, but chief among them must be our fellow member Dan Hannan MEP, a member of the European Parliament for another fortnight only. It was Dan who wrote about Brexit, spoke about it, pushed it and pulled it, and grew the Eurosceptic movement until David Cameron called a referendum to shut down his argument.

Cameron’s advisors never really considered the possibility of Brexit happening. It seemed that their purpose was to scare the public into thinking that Brexit would be a disaster. Certainly Boris, who worked in Brussels as a journalist for some years, saw first-hand the democratic deficit at the heart of the EU project. And perhaps such exposure allowed him to see more clearly than others that Brexit could be an opportunity.

Many Conservatives on the Remain side of the debate didn’t really see Brexit as an idea at all - they saw it as something that was affecting votes, as Conservative members fled to the United Kingdom Independence Party, led by Nigel Farage. So a referendum was called stem the flow. It was electoral calculus - tactics, not strategy.

Boris may have had a relatively privileged upbringing, but in his work he met and discussed with people, who had different perspectives on things. He learned, and was challenged. He famously wrote two articles before openly joining the Vote Leave campaign. One was for Remain - which was never published. The other for Leave - which was. I think it shows Boris was trying to frame his choice as the best idea.

And running the Vote Leave machine was a man called Dominic Cummings - someone so intriguing in the Brexit debate that Hollywood star Benedict Cumberbatch played him in ‘The Uncivil War’, a TV movie about the campaign. He was employed to deliver Brexit - and he did the job. His big idea was perhaps the most effective slogan in British campaigning history.

‘Take Back Control’. Genius in its simplicity. Active, not passive.

We should remember that the Brexit vote was the biggest vote for anything, ever, in the UK. As you all know, Cameron resigned and a new Prime Minister was chosen in Theresa May. And Boris Johnson replaced May last summer, and has just won a resounding Election victory. Resounding enough to finally deliver Brexit with no Parliamentary drama. I think this proves something about great ideas. A great idea needs a great champion, or it fails.

Peter Boettke wrote about this in his paper for his session yesterday - Milton Friedman was astonishingly brilliant at delivering the ideas of economic freedom. It’s a similar story with Brexit - Boris is very good at carrying and explaining ideas. And given this session is about taking ideas into central government, there is another key point that must be stressed.

We must continue to campaign for a good idea, even after it wins.

After the Brexit vote in 2016, it was assumed that it would be delivered. So the Brexiteers, exhausted by the referendum campaign, understandably stepped back. During the campaign, the Remain side argued that Brexit would cause the collapse of the British economy - what was known as Project Fear. And even after they had lost, they stayed organised and campaigned hard. And given the civil service did not generally believe in Brexit, as well as most MPs and Peers, they all did their best to frustrate it. It nearly worked, too.

So to action good ideas, we must continue to talk about why they are good, even when they are government policy and we think the battle has been won.

And with Brexit, there is still some work to do. In the next 11 months we have to negotiate the trade deal with the EU, and many of our remain-backing friends are willing for Britain to suffer, to demonstrate the fallacy of our wishes for independence. And, of course, to discourage any other nation from following us out. The EU's opening gambit is that free trade with them requires us to accept all of their regulations, however changed in the future. That's the same as staying in - no taxation or regulation without representation, becomes our cry.

The solution may be to arrange the free trade agreement that is possible with the United States, and do it quickly. That would demonstrate to the EU that we will be fine on our own, and should mean they drop their demands. In any case, a free trade agreement between all the English Speaking Peoples would be a good end to aim for.

Over time, I believe that Brexit may turn into the poster boy for 'ideas into action'. This was an idea that the people wanted, but much of the establishment and the media didn't. Those who defended Remain so vigorously do so in the same way that medieval clerics defended religion. Any discussion of the merits of this heresy was useless. We have had good politicians destroy their political career for this cause. Perhaps this is the modern equivalent of being burnt at the stake.

Indeed, there is an English expression that 'there is nothing more ex than an exMP'. An exMP who lost because of a principle that they couldn't persuade the voters to adopt should be the subject of our pity.

A final note on Boris, too. David Henderson's paper, discussed in yesterday's session, starts with the Thatcher quote 'you must start with beliefs. Yes, always with beliefs'. Beliefs are important, of course. Possessing them gives one the advantage of having an instinct of what to do when a situation changes, or event occurs. So I am excited that we will hear much more from the Prime Minister on his broader vision for the country.

On economics, I hope we allow society to flourish by slimming down the state. Not just in spend to GDP ratios, but more fundamentally in what actions it deems necessary to take. Again, we have a continuing job to do on making the case for less intervention and lower taxes.

I'll finish by saying that Brexit is a good idea; has a good champion in Boris; but that we must continue to make the case even when we think the battle is won.

Thank you.

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