



# CNI

## **Press Watch - We must leave quickly – the EU is falling apart faster than I thought**

**A victory for Marine Le Pen could wipe trillions off asset values and trigger a new global financial crisis, Alister Heath writes in The Daily Telegraph**

Hand over a €60 billion ransom or we won't even start to discuss a trade deal: that, if Jean-Claude Juncker is to be believed, will be the European Union's opening gambit ahead of Brexit. Bring it on, I say: the best way to expose a very weak adversary who is pretending to be very strong is to call their bluff. Yet it may never even get to that. At this rate, what is left of the EU could soon be begging us for a trade deal, not the other way around.

The reality is that the EU is edging ever-closer to the abyss: it is at its weakest, most vulnerable

since its creation, and it is now touch and go whether it survives 2017 or whether it is swept away in a catastrophic populist revolt.

Trouble is not only brewing in France, where Marine Le Pen keeps gaining ground, but also in the Netherlands, in Greece, in Italy and in eastern Europe. Even if the dissidents fail, for now, the EU will soon be crippled by Britain's departure, robbing it of its financial centre and billions of pounds a year in net contributions.

The EU's modus operandi has always been to buy support with German and British money, especially in poorer regions and in France's agricultural heartlands: when the cash runs out, or is replaced by some euro-tax, tensions will flare up again.

We keep worrying about how Brexit will affect Britain. But the real question is how Brexit will debilitate Brussels, shift the balance of power and ideology on the continent, with smaller, more pro-market nations losing their British champion, and trigger a new dash to yet more unpopular centralising treaties, fuelling more rage and anger. Yet the Eurocrats in Brussels and some Remainers in Britain keep on talking as if nothing has changed, as if the UK were leaving some powerful, eternal, economically

successful superpower. The status quo is gone, forever, and what is left could be smashed further in just three months' time.

The most urgent threat to the EU system comes from Le Pen. Her rise, the extent of which has confounded everybody, is the most important story of the year. Her hard-Left views on big companies, capital and trade are incompatible with EU membership, as are her views on immigration; and she wants to quit the euro.

France's current, already broken constitutional arrangements and "social contract" wouldn't survive. Le Pen's election would detonate a neutron bomb under all post-war institutions and the global economic order; a disorderly French withdrawal from the euro, which would also lead to others such as Italy following suit, would wipe trillions off asset values and trigger another global financial crisis.

Le Pen is now polling around 27 per cent in the first round and while she would still be defeated in the second, surveys suggest she would grab an unprecedented 42 per cent of the electorate. Given that this is a rise of around five percentage points in just a few weeks, anything is now possible, and it reflects the extreme, explosive disenchantment among the French public with

decades of economic, social, immigration and crime policies. Even if she loses, the genie will be well and truly out of the bottle.

The likes of Juncker, a Marie Antoinette figure if ever there were one, are now so firmly ensconced in a parallel reality, replete with alternative facts and constructs, that they no longer understand what is happening. They still look at the shiny new Europa building in Brussels, which cost €321 million, and see a powerful, purposeful force for progress, rather than an increasingly loathed, soon-to-be bankrupt bureaucracy whose demise threatens the peace and prosperity of our civilisation. They labour over their preposterous economic models, telling us how impoverished the UK will become as a result of us loosening our ties with an imaginary fast-growing European economy, not realising that they are the victim of an extraordinary case of cognitive dissonance. They look at the world, but only see what they want to see, rather than what exists.

One of the reasons why I backed Brexit was because the UK is the only major European country able and willing to extricate itself from the doomed project in a rational, pro-trade, pro-market way. Brexit allows us to show the world that there is a better, more sustainable way to

embrace real globalisation without having to hand over power to corrupt, unelected technocrats, and that wanting self-government doesn't necessitate voting for extreme, destructive National Front-style parties. So far, it looks even better than I hoped, thanks to Theresa May's enthusiasm for free trade and her commitment to keep the country open to capital and talent.

But where I may have been over-optimistic was that I was hoping that the EU would survive for at least another five years to 2022, giving Britain more time to build new institutions, diversify our trade and show the rest of Europe how it could be done. I was counting on the cyclical economic upturn, which will give all European economies a boost, as well as on an assumption that someone other than Le Pen would win in May, before going on to fail to reform France and thus delivering the country into her hands the next time around. Jacques Chirac failed to reform France, as did Nicolas Sarkozy; one must hope that Francois Fillon would pull it off, but that's unlikely. Emmanuel Macron, a fashionable neo-Blairite with no party backing, would fail disastrously.

I'm no longer so sure that we have so much time. It still seems likely that the EU will stagger

on for a few more years, just as it survived earlier crises, but the day of reckoning is getting ever closer. We need to leave, urgently, to insulate ourselves as best we can from the fallout. Given the gravity of the situation in France, the House of Lords should be debating how to accelerate our withdrawal from the EU, not how to delay it. Big banks should be planning on shifting bankers to Britain from France, not (in one case) the other way around. Remainers should stop producing anti-Brexit reports that massively exaggerate all of the difficulties caused by leaving, and turn their attention instead to ways of mitigating the fallout from the EU's implosion.

It is in Britain's interest that the EU's demise be carefully managed. Unfortunately, it increasingly looks like the opposite will be true. The Government should be hoping for the best, but planning ever-harder for the worst.

++++++

First published in the Daily Telegraph, February 23, 2017. *Follow Allister Heath on Twitter* [@AllisterHeath](https://twitter.com/AllisterHeath); *read more at* [telegraph.co.uk/opinion](https://www.telegraph.co.uk/opinion)

The inclusion of an article in Press Watch does not imply endorsement by CNI. Rather it is an

endeavour to present articles from a variety of  
view points for consideration by CNI readers.

++++++