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Subject: GOOD MORNING

Brexit, shmexit! Please excuse me but today I am going to become political. British Prime Minister Theresa "Kitten Heel" May's announcement in the House of Commons yesterday that she was postponing the vote on the British withdrawal agreement from the EU did not really surprise but it was still treated by markets and the media alike as a big and powerful bombshell.

Before going any further and irrespective of whether one is in favour or against Britain's leaving the EU and whether one loves or hates May, she deserves a gold star for her doggedness and her ability to single-mindedly pursue a goal whilst being constantly bombarded from all sides with contrary opinions. May I remind that one Winston Spencer Churchill, some years ago voted by the people as the greatest ever Britain, faced similar attacks when he took office and refused point-blank to negotiate with Herr Hitler as his detractors very vociferously demanded. Not that I would dream of placing May on the same pedestal as Churchill but it needs to be said that not listening to absolutely everyone can, and I mean can, in many cases be a strength and not a weakness.

The stumbling block as we should all know by now is the Backstop Agreement for Northern Ireland. Now please indulge me and let me look at the problem from an angle rarely referred to in the media, most probably for fear of causing offence, whatever that is when it's at home.

The central issue is that of a hard border between Northern Ireland, a part of this sovereign kingdom of around 66.7 million people and a piss-pot little republic of 4.8 million. At the heart of the problem is the need for the members of the EU to pass the divorce agreement unanimously. The Irish government long ago declared its intention to scupper any settlement which might lead to the establishment of a proper border between its sovereign self and the sovereign United Kingdom, something which, prior to the Schengen Agreement, existed between pretty much all other sovereign nations on our humble little planet.

In 1921 when Eire received its independence but when the six of the nine counties which make up the ancient province of Ulster voted to remain part of the United Kingdom, the now "free" Irish simply refused to accept the result and in effect Dublin maintained its claim on the rest of the Ireland. There are not many islands in the world which host two sovereign countries but they do exist, not least on the island of Hispaniola which hosts Haiti and the Dominican Republic. Alas, the real problem of Northern Ireland is not one of the United Kingdom but one of Ireland. It is Ireland and not the EU which is effectively holding the UK to ransom.

Agreements which were made in 1921 and again during the Good Friday Agreement negotiations in 1998 are fine and dandy but time passes and history moves on. Ireland, previously a backward country, trapped in its own myths and dependent on its umbilical relationship with Britain has benefitted like few

others from both huge amounts of EU development aid and from the indulgence offered to it to create a distorted system of corporate taxation which, if not protected by the gooey-eyed sentimentality of the Americans for all things Irish, would have been stamped on and kicked to death by the likes of President Trump. One can never forget the pictures of the first and so far only African-American US President Barack Obama propping up a bar in Ireland, holding a pint of Guinness whilst celebrating his Irish roots. Long term readers will know that on the back of that and for the following years of his presidency I only ever referred to him as President O'Bama. Even my editors at the International Financing Review, otherwise quite strict, accepted that and never tried to correct it.

My guess is that the Greeks, the Latvians, the Lithuanians, the Czechs, the Slovaks and god knows how many other Europeans really don't give a toss about the border between the Irish Republic and the part of the United Kingdom which happens to share an island with it. In the past 98 years successive Dublin governments have done next to bugger all in order to foster the understanding that one part of the Ireland is theirs but that the other part of the island isn't. The open border has meant that for most of the 98 years since independence the Irish were able to export their excess population to Britain and that without let or hindrance.

Tolerance of the status quo has not grown as the childish shenanigans over the use of Croke Park, the spiritual home of Gaelic sports, as a temporary residence for the Irish rugby union team during the rebuilding of Lansdowne Road showed. The thought of an England rugby team playing (and possibly winning) on their hallowed turf had the Gaelic purist in apoplexy. Thus it is that the Irish have developed a form of national hypocrisy which seeks equal and beggars belief.

For 98 years Ireland has had free access to all things British. Please don't get me wrong; I too love the Irish as I think pretty much all of us do. But Britain has taken a decision to change tack and, like it or not, Ireland will have to accept that it does not have the right to prevent it from doing so. If you want, Dublin refused to accept the referendum result of 1920 which split the island and now, a century on, refuses to accept the referendum result of 2016. Ireland must decide whether it wants to run with the hare or run with the hounds. It cannot run with both but its insistence on doing so is in the process of ripping this country to pieces and destroying the United Kingdom. One would hope that the Scottish Nationalists under the leadership of their little Trozkyite munchkin might learn a lesson from this but I'm afraid I doubt it. Maybe Nicola Sturgeon needs a lesson in "No means no".

So today Mrs May will trot off to the Hague, to Berlin and then to Brussels in order to explain why she can't get the Brexit agreement through parliament and why Brussels is faced with losing the € 39 ½ billion which a hard Brexit will cost it. She will have to explain to them that those poor little Irish mites will have to accept the instant and inalienable establishment of a hard border on March 29th 2019 unless they find a way of coming closer to the position of Parliament.

If there is one thing of which May is guilty, then it is of failing to understand that the Irish need us a lot more than we need them. It is Ireland which risks plunging the EU and the UK into the hard Brexit abyss, not us. Why, for crying out loud, has nobody had the guts to call the spade a spade, My understanding is the previous Taoiseach, Enda Kenny, understood the game and that tacit agreement had been reached between Dublin and Westminster as to how to resolve many of the problems which were looming. Leo

Varadkar, on the other hand, as my little spies tell me, was having nothing of it. As John D Rockefeller famously said, a verbal agreement isn't worth the paper it's written on. Brussels should not punish this country for the behaviour of its own unruly children. Genetically I should be a Remainer but in fact I am a soft Brexiter. The solution, so my conclusion, lies in Dublin and not in London. Let's see what happens. I did catch a snatch of a comment by the Irish foreign minister, Simon Coveney, on the news this morning. By the way he spoke it would seem that nobody has had the guts to take Dublin to task yet over their superannuated intransigence and until they do we're going nowhere.

Rant over....for now.

Meanwhile I hear that US Treasury Secretary Steven Mnuchin is in communication with Beijing about setting an agenda for trade talks. Talks about talks? I remember during the Vietnam war when North Vietnamese and Americans tried to meet for talks in Paris and when the first stumbling block was agreeing the shape of the table. Talks about talks, eh? The Dow did a 500 pt turnaround yesterday which proves nothing other than that nobody out there seems to have a clue where to pin the tail on the stock risk asset donkey.

A propos Paris, our shiny new little President is crumbling faster than a sand castle facing the rising tide. Whereas Theresa May is castigated for staying her course, right or wrong, Young Macron has cashed in his credibility and authority chips in one simple move. As of last night his is a lame duck president. Merkel gone and Macron gone... Time to rewrite and sing the old German folk song "O du liebe Angela, Angela, Angela, o du liebe Angela, alles ist hin. Geld ist weg, Mäcron ist weg, alles weg, alles weg. O du liebe Angela, alles ist hin."

The protestors now know that they can keep on demanding and Marcron can no longer say "No". The instant rise in the minimum wage of €100.00 per month and the lifting of taxation and social contributions on overtime pay will cost the French economy much more than it can afford. With the risk of a hard Brexit and the loss of the €39 ½ billion in UK contributions to the EU budget, France is in an even bigger mess than meets the eye .

Mrs May has a stronger hand than she knows and I'm afraid I have to agree with Dominic Raab, former Brexit secretary, when he assures us that a better deal could have been achieved and that the British were too diffident during the negotiations.

This is set to be a truly interesting week o=and one which is destined to set the scene across Europe for years to come. Don't forget that on Friday the German CDU votes on who will replace Mutti Merkel and party leader and once done, we must assume that her tenure at the Chancellery will not last much longer.

Let's see what today brings and then review the world again tomorrow.

