

## Flash Note 21/11/2018

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### Latest news on the Brexit front & about the real risk in the UK

#### About the Brexit deal:

- Bank of England chief Carney backs UK PM May's Brexit deal.
- Labour Party's finance minister-in-waiting Mc Donnell has just said that "there is no majority in parliament for damaging the economy by leaving the EU without a deal". "I think an overwhelming majority oppose anything that smacks of being no deal".
- These words clearly show that a No-deal is the scenario that most British lawmakers want to avoid at all costs. Which means that, **either in the next session, or in another before March** (perhaps with a retouched agreement), the Parliament will approve an exit agreement.
- By its part, the EU is trying to discourage Britain (and other EU members) from any renegotiation of the nearly 600 pages of dense legal text that forms the agreement...
- ... but Spanish Prime Minister Pedro Sanchez, and its foreign minister Borrell, are now threatening to vote against the overall EU-UK Brexit accord. Is this a real concern? Officials in Brussels dedicated hard words to the Spanish Government this morning: "Sanchez is trying to score points with voters at home before a looming domestic election, but the issue could be solved by the leaders." They warned Madrid not to push so far as to put the whole Brexit agreement at risk. In fact, Juncker has just cancelled Spain trip to focus on Brexit summit.
- What does this mean? I suspect that after so many efforts, Spain risks a good pull of ears if it persists in its threat to exercise its right of veto and to ruin the framework agreement.

#### About the real risk for the UK

- McDonnell, along with Labour leader Jeremy Corbyn, hopes to win power to build socialism in the world's fifth largest economy.
- Speaking to an audience of finance executives and journalists in Canary Wharf; when asked if he was a Marxist or a capitalist, McDonnell said: "I'm a socialist but you have to insert Marx into that because I think it's one of the best analyses of how capitalism works". "I'm trying to rehabilitate the reading of [Das] Kapital".
- Well. This gives you an overview of the Labour Party's socialist intellectual roots. Which, in my humble opinion, constitutes the real risk for the UK's economy. Even the most ultra-Tories know this. And they know that not voting an agreement for the Brexit, will probably leave the country with early-elections, in which Marxism can be imposed.

Best