



11 Things You Need To Know About Brexit

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Thursday evening was historic, as the people of Britain voted by a margin of 52 percent to 48 percent to separate from the European Union and reclaim their sovereignty, known as Brexit. Here are 11 things you need to know about it.

1. The European Union has outlived its original purpose.

The concept of the EU began as a way for European nations to forge economic cooperation with each other after World War II, especially as a way to restore relations between Germany and France, and the partnerships became known as the European Economic Community (EEC) in the late 1950s to fight against the Soviet Union and communism. It officially became known as the EU in 1993. Since then, the EU has devolved into an inefficient, power-grabbing bureaucracy that has weighed down Britain.

2. Former British prime minister Margaret Thatcher warned about the danger of Britain joining the EU.

"What is it about some of these people who enjoy the freedoms of democracy, who enjoy the elected representatives' being accountable to the people?" Thatcher said in a *Forbes* interview in 1992. "Why do they want to substitute bureaucracy for it? What's the matter, what's happened to them? I will tell you the [European] Commission loves its powers. Power for the sake of power. It's not what we fought for. We fought for democracy, freedom and justice. ... We just reelected our parliament. What for? Just to be a talking show?"

Thatcher also cautioned that a centralization of power among countries would be infeasible economically because they're "all at different levels of development," resulting in some countries redistributing wealth to others via subsidies and losing their sovereignty through mass immigration without assimilation.

"Both would cause resentment and not [produce]...harmonious development," Thatcher said. "We should each of us be proud to be separate countries cooperating together."

As usual, Thatcher was spot-on in her analysis.

3. Being a member of the EU was a burden on Britain's taxpayers.

Conservative Review's Nate Madden highlights the following statistics from from Vote Leave, a pro-Brexit nonprofit:

Since 1973, the Government has sent over £500 billion to the EU, three times the annual NHS [National Health Service] budget

The EU now costs the UK over £350 million each week — nearly £20 billion a year

Our EU contributions are enough to build a new, fully-staffed NHS hospital every week

Madden also cites studies from the Cardiff Business School and University of Buckingham that has EU membership costing 11 percent of Britain's annual GDP, and those costs were set to increase as a result of austerity measures as well as to cover the costs of new EU projects.

4. It was also a drag on Britain's economy.

Cato Institute expert Daniel J. Mitchell points out that the EU has imposed "protectionism against outsiders, tax harmonization, horrible agriculture subsidies, bad fisheries policy" on Britain, all of which have a negative effect on the country's economy. The protectionism is especially a drag, as the EU has what's known as the "Common External Tariff" that punishes countries outside of the EU. Meanwhile, the EU only consists of 45 percent of Britain's exports, down from 55 percent in in 2006.

The EU has also declined from 36 percent of the world economy in 1973 to 17 percent in 2015, putting Britain at a further disadvantage to remain bogged down by it.

5. The breaking point was immigration.

It began with the 1985 Schengen Agreement, which allowed for what's known as "free movement" among the EU nations without the need for a passport check. This was further exploited when Germany made the decision to allow in a massive influx of migrants from the Middle East and North Africa, resulting in problems of violent crime and increasing the risk of terrorism.

The open borders policy has also resulted in economic calamity for Britain, according to Rory Broomfield, the director of the Better Off Out campaign:

"We have seen wages fall behind inflation since 2010 by a massive 8.6%," explains Broomfield. "From 2010-2014 the rise in UK born unemployment was 3.7% whilst the rise in EU born employment was 12%, According to Professor Tim Congdon, about half of the increase in foreign-born employment was of immigrant workers from Eastern Europe, allowed in because of our EU membership."

As former British prime minister Tony Blair said in an interview on Fox and Friends, "Particularly on the issue of immigration, there was a huge amount of anxiety and concern about that. I personally don't think we will deal with that concern by leaving Europe. But undoubtedly, it was a popular revolt against the -- those who have taken this common position across the political spectrum for many years."

6. Worst of all, it put the people of Britain at the behest of an international bureaucracy with little recourse.

According to Madden: (emphasis bolded)

Perhaps the most glaring issue with the U.K.'s involvement in the EU is the fact that its laws are completely subordinate to laws passed by the European Parliament, meaning that the average British voter cannot vote to replace the people who make their laws. Furthermore, these laws are subject to the review of the European Court of Justice, meaning that Britons also have very little say in what their laws mean and how they are implemented. One case in particular was over a ban on prisoner voting that came up a couple of years ago in European courts. While the measure was eventually upheld, the people of the United Kingdom had their laws put under review by a foreign body that was not subject to them, sparking a massive public outcry.

In other words, Britain was essentially being governed by a set of unelected, unaccountable bureaucrats and had little to no say in how they were governed, which violates the ideal of the Enlightenment upon which the West was founded.

7. There will be economic pain in the short-term.

It's already starting, as according to *The Wall Street Journal*, the following market signals are occurring:

Sterling declined 11 percent against the dollar.

Gold rose by six percent.

Japan's stock market average dove by nearly eight percent.

Other Asian markets also had a decline of one to four percent in stock average.

This is to be expected, since as Mitchell points out, "leaving the E.U. would be like refinancing a mortgage when interest rates decline." Businesses will have to restructure and adapt to the new regulatory structure of an independent Britain; new trade agreements will be needed between Britain and other countries. Naturally, this will all result in growing pains for the economy. Madden suggests that one way Britain can deal with this is to keep the current laws in place for now and then the British government can eventually whittle away at the ones that need repealing.

8. In the long run, it will be beneficial to the economy.

Britain being free of the leftist quagmire that is the EU will give the UK the opportunity to engage in free trade agreements that aren't burdened by the EU's tariffs for outsiders as well as engage in economic policies that support a thriving free market that can better attract investment and the creation of wealth than the EU's bureaucratic red tape could.

There is certainly the possibility that Britain could turn further left than the EU, but at least the people will have a say in the matter; they didn't in the current EU structure.

9. The polls were wrong. By a lot.

There were six polls conducted right before Thursday's vote, and the average of the polls had the Remain vote winning by a margin of 49 percent to 46 percent. Out of the six polls, only two of them had the Leave vote winning by thin margins, 45 percent to 44 percent and 43 percent to 41 percent.

Perhaps the most striking part of the results was that the Leave victory was due to the support of "working-class social democrats" who usually vote with the Labour Party.

10. It will take time before Brexit is official.

Britain will have to negotiate an agreement with the EU before they officially leave, and that would take at most two years under the Lisbon Treaty, although they could have a separate agreement outside of the treaty if they chose.

11. Brexit is the beginning of the end of the EU.

Now that Britain has left, Italy, the Netherlands, and France are looking toward having their own referendums as to whether or not to remain in the EU as well. It won't be long before the EU dissolves.