

Bloomberg

Mr. Brexit Came to Washington, and Then Things Got a Bit Awkward

Andrew Mayeda

May 10, 2016

British businessman and political donor Arron Banks was making his case for the U.K. to leave the European Union when an American audience that should've been sympathetic to his cause started to squirm.

The co-founder of Leave.EU was speaking last week to more than a dozen policy experts at the Cato Institute, a think tank in Washington dedicated to individual liberty, limited government and free markets. The EU is a slow, costly bureaucracy that undermines British sovereignty, he argued. The influx of immigrants from other EU countries is depressing the wages of the British working class, he said.

While conceding there will be economic pain if the U.K. leaves, he suggested it's a price worth paying for independence. "I'm a libertarian," he told the room full of libertarians the month before the British public vote on whether to go it alone.

At Cato and elsewhere during his week in the U.S. capital, Mr. Brexit's pitch was met with reactions ranging from apathy to antipathy.

"It was the most unimpressive and unconvincing argument for a political case I've seen in years. He appealed to every type of argument that's unconvincing: naked nationalism, nativism, anti-free-market, anti-capitalism ideas," said Alex Nowrasteh, an immigration specialist at Cato. "There was a solid intellectual case to be made for Brexit, but that was not it."

The campaign over the U.K.'s future in the EU comes to a head June 23, when British voters decide whether to stay or go. The Organization for Economic Cooperation and Development has warned that an exit would be a "major negative shock" to the British economy, cutting output by 3 percent by 2020 as weakened confidence reduces investment and trade with Europe is diminished.

Treasury Meeting

To build support, Banks and Labour Party lawmaker Kate Hoey visited Washington last week for meetings with officials from the U.S. Treasury and State departments. They also met with

John Bolton, former U.S. ambassador to the United Nations, as well as representatives from think tanks including the Atlantic Council, American Foreign Policy Council and Heritage Foundation.

Banks has an ally in Bolton, who has advised the British to "get out now" before they become a "county in a larger Europe." But others are less impressed.

A Treasury spokeswoman declined to comment. When asked about the meeting with Banks, the State Department said the U.S. values a strong U.K. voice in the EU, and added that America benefits when the EU is unified.

The White House wasn't on the meeting agenda. Banks said it wasn't worth asking for one after President Barack Obama warned on a recent trip to London that leaving the EU would put the U.K. at the "back of the queue" in terms of negotiating a trade deal with the U.S.

"He was just doing a favor for David Cameron," said Banks, a 50-year-old insurance executive. "How would the American government feel if the British prime minister showed up and told them what to do in an election?"

A frank-talking fellow with an aversion to suit jackets, Banks donated about \$1.6 million to the U.K. Independence Party in 2014, after having previously backed Cameron's Conservative Party. The organization Banks help set up is a rival to the official Vote Leave campaign, a group which has attracted the support of more mainstream Tories such as Justice Minister Michael Gove and former London Mayor Boris Johnson.

Social Media

While UKIP leader Nigel Farage and others have been more visible spokesmen for the Leave.EU campaign, Banks has been a behind-the-scenes organizer, helping to run a call center and pushing the cause on social media.

In the U.K., Leave.EU has argued that a Brexit is the only way to keep the country's National Health Service out of the hands of private companies. On his visit to Washington, Banks welcomed the idea of getting rid of the state-run NHS. "If it were up to me, I'd privatize the NHS," he said.

Banks is gleeful at the divisions the vote has caused in the Conservative Party, declaring that he and his colleagues have become the "naughty boys of British politics." He says the "Leave" campaign shares the same anti-establishment spirit as the U.S. presidential run of Donald Trump, the presumptive Republican nominee. The "Leave" operation has consulted Trump advisers on strategy, he said.

"The way Trump is portrayed in the U.K. papers is lunatic, because I think he's actually running a very clever operation and game," Banks said.

A Trump spokeswoman declined to comment. The billionaire said last week in an interview on Fox News Channel that the U.K. would be better off leaving the EU.

On his visit last month to the U.K., Obama said the Brexit vote is a "matter of deep interest to the United States, because it affects our prospects as well."

"The United States wants a strong United Kingdom as a partner, and the United Kingdom is at its best when it's helping to lead a strong Europe," the president said at a press conference in London with Cameron.

American Apathy

But Banks disputes the idea that Americans are worried about the consequences of the U.K. severing ties with the EU. He scored a ticket to the annual White House Correspondents' Dinner on April 30 with the help of Washington lobbying firm Goddard Gunster, which is helping Leave.EU with its referendum strategy. As he mingled with a crowd of celebrities and politicians that included actor Will Smith and CNN anchor Wolf Blitzer, Banks detected little hand-wringing over Brexit.

"The level of interest was close to zero, and the level of knowledge was close to zero. If not very much zero," Banks said in an interview at the Hay-Adams hotel, a Washington landmark partly named for former U.S. ambassador to the U.K. John Hay.

At Cato, Banks told the group the "Leave" campaign is running "marginally behind." The movement's core supporters include older voters who are likely to cast a ballot. As a result, the results may swing on the "Remain" campaign's ability to get its supporters to the polls, he said.

"If turnout is low, we win. If it's high, we lose," Banks said. "Our strategy is to bore the electorate into submission, and it's working."