

[Notice: This e-mail is sent to you because I have been informed - or have good reason to believe - that you would like to receive occasional e-mails from me on why the UK must leave the European Union.

If you do not want to receive e-mails from me, I apologise and perhaps you would let me know so that I can take your e-mail address off the list. or click on the unsubscribe" link below]



Tim Congdon's latest e-mail



Dear fellow member of UKIP (and others concerned about the UK's relationship with the EU),

People live in two kinds of nation, those that belong to the European Union (28 of them) and those that do not belong to the EU (over 160 of them, with the great majority of the world's population and output). Project Fear's central claim is that the UK will lose economically – by large amounts and quickly – if the UK becomes like most of the world's countries. This is inherently very implausible. How can becoming like the vast majority of the world's other countries be disastrous, “a leap in the dark”, “a plunge in the abyss” or whatever?

Project Fear begs an obvious question. How do the more than 160 non-EU nations manage to chug along somehow? For the most part, these nations cope readily and easily with the challenges of an open and dynamic world economy. The USA is not a member of the EU, but American citizens live well, and many of them have jobs that pay incomes much above the EU average. Australia is not a member of the EU, but Australians live well, and many of them have jobs that pay incomes much above the EU average. Canada is not a member of the EU, but Canadians....You have my drift.

Particularly reprehensible in my view have been the attitudes and posturing of Mark Carney, Governor of the Bank of England, and Christine Lagarde, Managing Director of the International Monetary Fund. Carney is not supposed to be a politician and he is not in fact British. But he has become an active participant in British politics. His assertions about possible recession, sterling weakness etc. with Brexit are pure conjecture. If leaving the EU is so bad for Britain, why doesn't he advocate that Canada joins the EU in order to secure all the alleged benefits of membership? Logically, that is what he ought to do. It is clear that, if the British people vote to leave the EU, David Cameron has to resign from the premiership. May I suggest that – because of Carney's prominence on one side in the Brexit debate – he ought also to resign? (Yes, and go back to Canada and advocate Canadian membership of the EU....Let logic prevail, please.)

Table 1.1: The EU's economic decline, relative to other high-income societies

Table shows % rate of change in constant-price GDP, according to the IMF

	2012	2013	2014	2015	2016	Cumulatively, over five years to 2016
USA	2.2	1.5	2.4	2.6	2.8	12.0
Japan	1.7	1.6	-0.1	0.6	1.0	4.9
Canada	1.9	2.0	2.4	1.0	1.7	9.3
Australia	3.6	2.1	2.7	2.4	2.9	14.5
Hong Kong	1.7	3.1	2.5	2.5	2.7	13.1
Singapore	3.4	4.4	2.9	2.2	2.9	16.9
Euro area	-0.8	-0.3	0.9	1.5	1.6	2.9
European Union	-0.4	0.2	1.5	1.9	1.9	5.2

Christine Lagarde's position is also that of a technocrat, although she is responsible to all the IMF's 188 member countries and not just to one country like the Governor of the Bank of England. Let me again point out plain and straightforward facts, many of them (like the table above) obtainable from her organization. The vast majority of these 188 countries are not EU members and have no intention of becoming EU members.

If Lagarde were right that Brexit would be "very, very bad" for the UK, then it ought to be "very, very good" for all of the 160 or so non-EU IMF members to get into the EU. But two conspicuous facts must be mentioned. First, these 160 or so show no enthusiasm whatsoever for EU membership. Perhaps they have noticed that the EU share of world output has collapsed in the last 35 years, and is still falling today. (The table above comes from my 2015 *Cost of the EU* booklet for UKIP, but is based on IMF data.)

Secondly, the failure of all these nations to apply for EU membership is nowhere being cited as the cause of a possible global slowdown/recession in late 2016 or early 2017. May I submit that – again logically – if failure to apply to join the EU is not very, very bad for the world economy, then pursuit of an application to leave the EU by one country is also not very, very bad for the world economy or indeed the country making the application?

Bluntly, these people are scare-mongering in an outrageous way. In the attached [two notes](#) from my regular *Standpoint* column I explain why they are so misguided. The heart of the economic case for Brexit is that it would make the UK similar to most of the world's countries, which – to repeat – are outside the EU. We would again be self-governing, we could choose the right level of regulation, we could adopt free trade on our own bat, we would stop paying money unnecessarily to other European nations, and so on. We would be just like the USA, Canada, Australia...Hardly a "very, very bad" fate.

I have also written a piece for *Standpoint* – a rather long piece, in fact – demolishing Chancellor Osborne’s statement that (in 2030 – yes, folks, in 2030, how on earth does he know?) the average UK household would be substantially worse off because of Brexit. I will show that Osborne has engaged in the Goebbels tactic of “repeat Big Lies often enough and they will be believed”, except that in this case we have a Big Lie in the form of a Big Number. (And Osborne, too, would have to resign after Brexit.)

The longer *Standpoint* piece will be published next week – and I will send out another e-mail to let you have the details of the argument.

With best wishes,

A handwritten signature in black ink that reads "Tim Gough". The signature is written in a cursive, slightly slanted style.

Runner-up in the 2010 UKIP leadership election
UKIP Economics Spokesman 2010 – 14

(Please note: I will be away until just before Christmas, so will not be able to respond to your replies for some time)