

Thursday, September 13th 2018

Dear Mustafa,

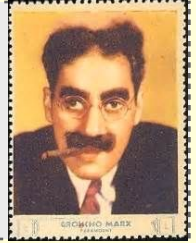
I was listening this morning to Dominic Raab, our newest Brexit minister, being interviewed on Radio 4's Today programme. Once again I heard the comment that it 'wouldn't be the end of the world' for the UK to fall out into WTO trade rules if there was a Brexit 'no deal. What a buffoonish statement, as avoiding the end of the world should not be a particularly high bar.

What this glib line shows, given that we are only 180 days away from exit, is that businesses will now start implementing their 'plan B'. They cannot rely on these Brexit bozos any more.

For the Bank of England it will mean keeping us at negative real interest rates for the foreseeable future. For the last decade inflation has been running at 2% with interest rates close to zero. Hence there has been an implicit tax, so far, on all savers and income earners of 20%. We may have another 20% to come for the next decade.

There is now a deep well of resentment that is being reflected in the UK poll numbers. Currently Corbyn's Labour party is running 2-4% ahead of the Conservatives. This is shocking given the level of

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incompetence, clumsiness and ineptness emanating from that party. This suggests that the Conservatives are deeply despised and there is a growing number of the population who simply cannot and will not vote for them; a situation similar to Hilary Clinton in 2016.

There is similar exasperation in Europe, and, right on cue and as per historic norms Europe's knee jerk reaction is to find the suitable Fascist. They are now established in France, Sweden, Germany and actually in power in Italy.

The UK traditionally lurches to the left. If the Conservatives continue with this level of failure, with the 'end of the world' as their benchmark and with a continuing implicit tax on income then they will be handing the keys of the kingdom to our 'Red Jester'. We will find no humour in his antics.

See you later today - Chris