

Brexit and now Donald Trump's election have sent seismic shock waves around the world: we have clearly reached a dramatic point in our history from which there can be no turning back. Should we be afraid or excited?

Whilst we certainly do not endorse all Trump's pre-election rhetoric, we can see no point in being negative. He was democratically elected and we will have to give him the benefit of the doubt for at least four years. Let us therefore endeavour to look at the bright side.

He is primarily a businessman and we believe he will select a business oriented team and speed up economic growth both in the US and in the UK. Furthermore, he is a **committed Anglophile** who welcomed our vote for independence from the EU and puts us at the front of the queue for a trade deal with the US, as opposed to Obama's threat to put us the back. It is also notable that Theresa May has taken great care not to insult him, unlike many other national leaders.

We do not believe Trump will try to enact many of his wilder ideas, but he does plan to move away from quantitative easing (QE) and monetary policy to fiscal policy, bringing in tax reform and deregulation to combat the years of economic stagnation, boost infrastructure spending, bank lending, inflation and, eventually property prices (both US and UK). This means US government spending will grow, so that more bonds will have to be issued to pay for it, which will send bond prices down. Not a good investment in an inflationary environment! But the greatly increased government **infrastructure spending he has proposed will go more directly into the economy and into people's pockets** than does QE, which has mainly resulted in financial speculation and in central banks hoarding excessive reserves.

As a lifelong property developer, it is hard to imagine Trump not sowing the seeds of a **real estate boom** and earning the approval of the major Wall Street banks in the process, especially if he carries out his suggested repeal of Obama's Dodd-Frank legislation, the most significant financial regulations since the Great Depression, that has affected all federal financial regulatory agencies and almost every part of the nation's financial services industry.

As for world trade, Trump dislikes and plans to **dismantle** undemocratic all-embracing **multi-national trade deals** like **NAFTA** (North American Free Trade Agreement between Canada, Mexico and the US), **TTIP** (proposed Transatlantic Trade and Investment Partnership between the EU and US.) and **TPP** (proposed Trans-Pacific Partnership, a trade agreement with 12 Pacific Rim countries, negotiated behind closed doors). Meanwhile, European bureaucrats have suddenly realised that getting political deals in place behind closed doors has become far more attractive than submitting themselves to the will of the people, who cannot now be trusted.

The longer the international movements against globalisation, illegal immigration and wealth inequality are left to grow, the more likely European populist and centre-right parties will be encouraged to deliver serious anti-European Union results in December's Italian referendum and in the French and German elections next year. This makes a good Brexit deal with the EU more likely, as it gives the EU every incentive to complete it as soon as possible, since only a reasonable deal with the UK can prevent EU secession movements in other countries from gaining ground in 2017.

As a footnote, it is interesting to note that the **EU has always been a customs union, not a region practising free trade with the rest of the world.** Its farming subsidies and compensation and its manufacturing anti-dumping duties, quotas etc **cost the UK approximately 4.1% of our GDP.**

From the mid-1990's, **the UK has grown considerably faster than the EU, Germany, France or Italy.** Since 1995, annual US growth has been 2.4%, UK 2%, EU 1.7% and the Eurozone 1.4%.

We believe you should be excited by all the new opportunities that will arise following the cataclysmic events of 2016 and we will do our best to exploit them to your advantage.