

# Resistance

## WHO DO YOU THINK YOU ARE KIDDING,



### MR JUNCKER?

The EU might have 'celebrated' 60 years of European integration (albeit marked by hastening disintegration).

Even the BBC noticed the European disunity and its Europhile panellist, former Greek finance minister, Yanis Varoufakis predicted that the EU would collapse by 2023 if it did not stop grabbing power and change radically.

Commission President JC Juncker - Drunker to readers of UKIP Daily – had the gall to crow that the EU “was always a project created by the people, for the people.” (Which explains why it worked hard to avoid popular referendums and overturn those that rejected more integration.)

The Commission's White Paper on the future of Europe basically proposed five options for 'more of the same'. The quixotic Juncker admitted he thinks a sixth “designed by the people” would be “the best route to success”.

Varoufakis also accused Juncker of wanting to “punish Britain”. Juncker had recently crowed about the UK having to pay a hefty bill – in a speech to the Belgian Parliament - and blamed Brexit on British politicians not controlling immigration, something made impossible by EU membership.

Yet Juncker said he was in everything but a hostile mood against Britain and defended the large bill as just 'meeting commitments'... not “punishment or sanctions against the UK”.

With Article 50 notification imminent, Juncker's negotiator Michel Barnier got in an EU response early, although it can't as yet be taken as the position of the EU27 leaders, who must approve any deal. Key proposals from his speech on 22 March, overshadowed by the atrocities outside Parliament:

- Guaranteeing rights of European citizens is a priority, so as to avoid uncertainty. (*The UK government agrees, and this will create some goodwill abroad.*)
- “a free-trade agreement.. the UK will naturally find itself in a less favourable situation than that of a Member State. It will not be possible to cherry-pick and be a participant in parts of the Single Market...”
- Addressing “the risk, or the probability of regulatory divergence, which could harm the Single Market”.
- Ambitious “social, fiscal, environmental and consumer protection standards”.
- Possible transitional arrangements, but too early to say. These must be supervised by European law and its associated legal system. (*Taken collectively, this sounds similar to membership of the Single Market, via the EEA Agreement, either as an end or a stepping stone?*)

*He didn't explicitly mention the European Court of Justice, as technically the EFTA Court would adjudicate on non-EU members.)*

- “Negotiations cannot take place in secret.” (*The European Parliament was always to be updated, but the UK government will find it harder to keep cards up its sleeve.*)
- “There is no price to pay to leave. But we must settle the accounts. We will not ask the British to pay a single Euro for something they have not agreed to as a member.”

Barnier's speech was seen as conciliatory, but also making for a hard negotiation. Several key issues:

- ✳ The UK government's White Paper was bland and only produced to fill a gap for those becoming restless. It only outlined **general aspirations**, as it admitted that it could not reveal anything that might give away the government's negotiating stance.



### IS BREXIT UNSTOPPABLE?

Both the UK government and its Supreme Court opponents agreed that once invoked, Article 50 notification to leave the EU could not be revoked.

Although Jolyon Maugham QC is trying to get an EU ruling that it could, nothing in the Treaties supports this. Legal experts say that the EU is 'not bound' by the Vienna Convention on treaties and the Commission encouragingly refused to allow a 'Citizens' Initiative' to stop Brexit.

The only ruse left might be if a pro-EU government got in before the UK left and kept extending the nominal 2 year negotiating period. It would have to do that by agreement with the EU27 who clearly want to see the UK out!

✳ Brexit Minister David Davis' deputy at DEXEU, David Jones, gave some clues in a speech to the Freight Transport Association. He could not go into too much detail, but spoke of:

- “a bold and ambitious Free Trade Agreement that allows cross-border trade to be as frictionless as possible.”
- a new, mutually beneficial customs agreement with the EU that supports these objectives.
- “But we have a completely open mind on how they will be achieved.”

This points to an arrangement on the lines of EFTA-EEA, at least as a *temporary* measure. By requiring 'Rules Of Origin' paperwork, it would be 'less favourable' than for an EU member. It would keep barriers low for virtually all trade with the EU and deliver what several British business groups have been clamouring for – continuity of trade and access to skills.

✳ To be possible, the EFTA countries would need to OK it. Switzerland and Iceland are sympathetic to the UK. Norway's PM disowned claims that her government would veto us rejoining.



## The Battle for Britain

### SINGLE MARKET ACCESS /ctd

✦ A number of foreign news reports support this hunch. Barnier has been meeting with representatives of EFTA countries and pledged to “work hand in hand with the EEA” and safeguard their interests.

✦ Norwegian trade and industry minister Monica Mæland described the UK as “our most important trading partner”. Minister Frank Bakke Jensen wanted an agreement with the UK that will be at least equal to its EU one.

✦ Delivering ‘smooth and orderly Brexit’ would be made easier by this off the shelf solution, given the tight timescales. It would also make Brexit legislation easier to get through Parliament and avoid challenges based on a commitment in the 2015 Manifesto to Single Market access.

✦ It would probably help to win the 2020 General Election, fought (e.g.) on a revised trading arrangement with tighter immigration control?

✦ The *Express* admitted that the UK had been lax at controlling immigration within current possibilities. Without prejudice to what is agreed on retired people, etc, EEA membership could see movement of labour restricted on sectoral economic or social grounds.



✦ France is tipped to be hard in Brexit negotiations, but bookies’ favourite for President, Emmanuel Macron (inset), distanced himself from the ‘make Britain pay’s and told *Le Figaro* “There must not be any consequence”. With Marine Le Pen now on course for over 40% of the final vote, Macron is not a shoe-in. He has been criticised for a relative lack of experience, being an ex-Hollande minister and Rothschild banker and for poor presentation skills. ‘Europe’ is central to his campaign.

Watch out for loose reporting; the *Express* speculated that the UK could be liable for a share of planned £86Bn EU defence spending. Only members taking part incur the cost though.

The PM noted a recent House of Lords report that concluded “the UK does not have to pay to leave the EU”. Looking at the **actual** report (HL125), one of its legal experts felt that the EU could see a liability, but this would be for political bargaining rather than a legal matter.

The report *did* provide evidence that the UK would remain liable for some EU pension scheme benefits as the EU and Member States guarantee them jointly.

### THE MONEY QUESTION



The European Investment Bank President recently argued that the UK could be liable for £54bn in his area.

✦ The Leave Alliance Monograph ‘*Financial contributions after Brexit*’ has some useful background info.



How Remoaners on a demo see the PM.

**DEAL OR NO DEAL?** Could the UK leave the EU without a deal? On BBC TV Brexit Secretary David Davis noted that the EU tended to agree deals at the last minute, but assures that a free trade agreement is highly likely and falling back on trade on WTO-rules only is just a contingency.

The EU is against a ‘no deal’ outcome. Council President Tusk saw even the mere prospect of this as intimidation! The European Parliament has to rubber-stamp any deal. Its economic and monetary affairs committee warns that it is critical that “a workable agreement is achieved.”

Therefore a big incentive for both sides to show good faith; not to be over-elaborate, picky, domineering or greedy. On finance, the EU is not even sure as to its wants, but the picture should be clearer within weeks. Davis’ position is that the UK might pay for access to some joint programmes.



Taken literally, moving from current close trading links to ‘WTO-rules only’ without a free trade agreement would be Mutually Assured Destruction (MAD) as it would disrupt supply chains and clog up customs points.

Former Commissioner and WTO head Pascal Lamy felt that falling back on ‘WTO-rules only’ was possible, with goodwill on all sides. (“WTO lawyers can be pragmatic and if we agree that the main thing is that trade should be hampered as little as possible...”).

The WTO exceptionally allows ‘waiver of obligations’ – a period of grace for resolving irregularities. Its overall policy is to stabilise trade, and the EU is committed to support the WTO.

### CASHING IN ON BREXIT?

✦ The *Shropshire Star* reported a bank survey of its farming customers found that the majority expect Brexit will give them more opportunities to export and with less bureaucracy. Malcolm Roberts, a local NFU chairman, noted: “People realise that Brexit brings opportunities”. Farmer Carol Griffiths said “If ever there was an industry that copes with uncertainty, farming is it”.

✦ Speculators who have driven Sterling down since June are responsible for the rise in fuel and energy costs. *What Car* magazine attributed some car price rises to ‘efforts to increase dealer profitability’. Software vendors Apple and Microsoft raised prices by 25% and ‘up to 15%’.

[www.newalliance.org.uk/ref317.htm](http://www.newalliance.org.uk/ref317.htm)

has fuller coverage, references and links to several interesting articles.



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