

Resistance

‘WHITE PAPER, WHITEWASH’



WHITEWASH

The White Paper was condemned as a dishonest and impractical sell-out

Dramatic events after the Chequers cabinet meeting. A government in chaos with 8 months before Brexit. This issue asks **what is going on?**

The White Paper on the future UK-EU relationship has united Remainers and Leavers against it. There's no point reviewing a work that's already scrap.

However Britain and the EU only need to agree a non-binding declaration on this. The real battle is over the 80% ready **Withdrawal Agreement (WA)**.



The BBC's new Europe Editor, Katya Adler, has proved to be objective, fair and switched on over some key issues.

Adler predicts that much negotiation work will be needed after Brexit! We cannot agree a new free trade deal until we've left and become "a third country" (e.g.). The Lisbon Treaty has produced an uneven playing field that means that the trading relationship will have to be a continuation of the **EEA Agreement ("Single Market")** or falling back onto **WTO-only rules**.

A trade minister confirmed intentions to stay in the EEA until 2021. However the **EU (Withdrawal) Act (EUWA)** will repeal the legislation for this on 29 Mar unless Brexit is stopped or a new **EU Withdrawal and Implementation Act (EUWAIA)** is agreed in Parliament, reflecting whatever WA deal is made.

If Britain and the EU cannot both ratify a deal, the only alternative to WTO-rules only is for both sides to request a dispensation (**WTO Waiver**) to allow current trading terms to continue.

This would help keep trade flowing on Single Market lines, but require Britain and the EU then having a working agreement, including a clear plan for a **Free Trade Agreement (FTA)**

Monmouth MP David TC Davies rues that there seems no Parliamentary majority for any one kind of Brexit.

Labour's "Six Tests" would mean opposing any deal that wasn't a close match to EU membership. Jeremy Corbyn seeks to exploit any defeat on the government to bring about a General Election. Deputy leader Tom Watson won't rule out a second referendum. The New Statesman adds that a petition needed only 1400 more names for Labour to debate making this party policy!

At the same time we must ask if a WA deal was agreed to the EU's liking, would pro-EU Labour really scupper it? With UKIP reviving, would Labour seek to fight an election as the party that ignored many of its voters and stopped Brexit (even temporarily)?

European leaders are having jitters. Austria's Sebastian Kurz, leading the EU until December, is hot on avoiding hard Brexit. Adler notes that many in the EU don't want Brexit. (This could in theory lead to delaying Brexit for continuing negotiations, which, if repeated indefinitely, would block it.)

However Adler senses an EU feeling "Brexit must be done in time", but with a perception that our government makes a fuss then just caves in. EU negotiator Michel Barnier has been pushing Britain to remain in the Single Market and Customs Union.

There is no universal definition of the Single Market. The government could claim that by leaving the EU, it had honoured a "red line", even if it stayed under similar arrangements in the EEA? Whereas "the Customs Union" can only mean the EU, this could be left, only for the government to sign up to "a Customs Union" with the EU. The Taxation (Cross-Border Trade) Bill sets up precisely this possibility!

She sees that many in the EU feel that the government's priorities are to avoid immediate disruption to the economy and damage to its reputation for managing it. This would mean the PM accepting the authority of the **European Court of Justice (ECJ)**. The WA reviewed on 19 Mar already notes her agreement to this for the



Transition period, which will run from 29 Mar 2019 to at least 31 Dec 2020.

Whereas Barnier's assistant Stefaan de Rynck hinted that Britain would duly get a FTA, Berlin Foreign Policy journalist Dave Keating warned that "Transition is likely to be permanent".

Even if a British government preferred to end "vassal status" in 2021, a FTA could take a good 5 or 6 years to agree, according to former WTO head Pascal Lamy. (This could be reduced if parts of the existing EEA Agreement were carried forward.)

The EU would also have to be willing to offer us a more flexible trading deal and could simply say "Take it or leave it – and lose trading rights".

However, time can be a healer, and with the ghosts of Brexit exorcised, the EU might realise there's an opportunity to deepen trade with its largest trading partner? The EU is supposed to back a WTO holy grail of multi-lateral free trade – a single global FTA covering substantially all goods and services. It won't happen overnight, but a **Deep and Comprehensive Free Trade Agreement (DCFTA)** with Britain would provide a ready model towards freeing up trade for other partners?



Another option is an **Association Agreement (AA)**. Guy Verhofstadt, a Belgian liberal MEP, has proposed one for Britain. The Lisbon Treaty already provides for an AA for countries with a "special relationship, with "the same treatment" (i.e. privileges) on trade? However, there is more flexibility – a proposed new AA for Chile wouldn't involve payments to the EU, free movement or being under the ECJ, yet could cover most goods and services.



Could a Referendum be forced upon us?

Q: Just say it is late 2018. Britain and the EU have just agreed a **Withdrawal Agreement (WA)** with us largely under EU control until 2021, losing existing voting power. The future relationship declaration is non-committal. Would there be a second referendum?

✦ Sacked minister Justine Greening wants a complicated referendum with 3 options – accept the deal, leave with no deal or remain in the EU. Voters would also get a second choice!

Sammy Wilson MP responded that voters had already had referendums to reject the EU and Alternative Voting!



BIRDS OF A FEATHER? Greening (Times) and Mandelson (Guardian) both urged a second referendum, but their articles made the same error on being unable to influence EU rules. As former Trade Commissioner Mandelson would know better – this points to their articles being orchestrated.

✦ The government wouldn't want a referendum. Apart from splitting the Conservative Party and reviving deep public tensions from 2016, it would take up precious Parliamentary time. Organising a poll and appointing official campaigns would be on impossibly tight timescales unless the Brexit date was put back.

✦ The uncertainty might actually **not** appeal to the EU either! Bureaucrats in Brussels are overloaded with trying to get EU legislation through while the current European Parliament and Commission are still in place and would not relish the possible disruption to their preparations and extra work. However it was noted that EU leaders quietly agreed to keep MEP seats for Britain in the event that **we did not leave before July 2019!!!** So the possibility can't be ruled out.

✦ The EU (Withdrawal) Act doesn't repeal the **European Union Act 2011** until we leave the EU, but as current plans won't give the EU **new** powers, no referendum should be triggered.

✦ It's a hard call how MPs would vote on the WA. Most Leaver MPs would probably vote for it to ensure Brexit, salving their consciences that it is only a temporary deal and their vote keeps Jeremy Corbyn out of power.

Although Tory Remoaners will bawl "worse than EU membership", they typically fall into line in practice.

With their 2017 manifesto preaching the benefits of the Single Market, Labour MPs might think twice about voting down legislation that kept Britain in it. On balance, a soft Brexit would probably get passed.

✦ Greening's line that "the final decision" should be for the people and "out of deadlocked politicians' hands" is a joke. The deal being voted on is only interim (Transition) and the final deal should be ready towards the run up to the 2022 General Election.



Remoaners use ridicule to try to reach the 'yoof' vote, but it is interesting that most of the marchers on 23 June seemed to be of the older generation! Open Britain claimed 170,000 supporters for their People's Vote petition – 1% of the actual Leave vote. It wasn't on the government website with independent verification, and the petition webpage seemed to show multiple signatures and a lot of foreign names.



To overturn the referendum result, crank Remoaners howl "Let the people have their say". Hypocritically when Leave media reps are interviewed on College Green, cranks try to disrupt the show for viewers and effectively **stop** people having their say.



Unable to accept democracy, a Remoaner tactic is to try to link Brexit with the negative – "hate crime", "no NHS", Trump, (uncheckable) long term forecasts of doom and gloom.

✦ When we got comments putting the record straight over job fears on a key local paper website, soundbite addict Remoaners were reduced to retorting "You're a Putin bot".



The possibility of no deal has led to interest in WTO rules. Agreements towards free and fair trade include:

GATT – goods trade treaty barring discrimination with some exceptions (e.g. a FTA, or before goods enter a country). Regional bodies like the EU must focus on **boosting their trade**, and to **the greatest possible extent**, avoid creating adverse effects on others. (**GATS**, the equivalent treaty for services, is less well developed.)

The EU's proposed **Northern Ireland backstop**, trying to treat parts of the UK differently, would appear to breach WTO rules on customs unions, and may well be dropped. The EU is now talking it down. However impartial measures to **speed up cross-border traffic** are not illegal.

The **Trade Facilitation Agreement (TFA)** and **Technical Barriers to Trade (TBT)** require maximum cooperation on border issues, such as speeding up clearance of perishable goods. They require rules to be justified and not a disguised barrier to trade. However countries not working to wider EU standards are more liable to have their goods checked at a border. TBT is also one reason why EU standards are being replaced by industry or global standards, so are decreasingly likely to provide barriers to trade. The EU might also be required to respect where an independent Britain goes its own way.

As a WTO member, the EU must work to WTO rules. The devil is in the detail, but the head of the WTO feels that they could help keep EU-Britain trade "manageable", although the lack of a FTA would mean "rigidities and costs".

References and notes for this issue
www.newalliance.org.uk/ref718.htm
 Some (but far from all) insights in this issue were from the BBC's Katya Adler.

After reader requests, the webpage also links to a Glossary of terms used.



Printed & published by New Alliance, PO Box 13199, London SW6 6ZU
info@newalliance.org.uk,
 Tel: 07976 414913

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