

Brexit negotiations need clarity

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It needs to be plainly put to the EU that, if there is no trade agreement, and in good time, the UK will have to take steps to ensure its financial stability. That means reducing EU trade to a fair balance to what can be financed by British trade with the EU in the post-Brexit scenario.

As Mervyn King, former Governor of the Bank of England, has stated, the British government needs to have some clarity about what would happen if negotiations fail.

"If you are going to have any successful negotiation, you have got to have a fallback position which the other side understands and believes is credible. So we need to be able to say if we can't reach an agreement we will nevertheless leave and we can make it work."

However, at present, there is no apparent willingness in the British government to plan a 'fallback position', let alone to confront what is necessary to make the 'fallback position' work.

Barnier is an intelligent man and must realise that if the UK cannot be put in a position where it can maintain its exports to the EU, it will take action. Trading under WTO rules is not a remedy because much of the problem

is due to regulatory complexities in the EU, in effect the UK becoming a 'third country' to the EU overnight. As Richard North has pointed out, no country trades with the EU exclusively under WTO rules. Other countries have numerous trade co-operation, inspection and other facilities in agreements with the EU drawn up over many years. The UK's problem is that it will go overnight from being an EU member to a 'third country' without any of these co-operation and facilitation agreements.

That is why transitional arrangements are necessary for the UK (and for the EU).

Meanwhile we have Angela Merkel insisting on free movement of workers but, at the same time, alluding to restrictions on British trade. Surely it should be obvious that restrictions on trade must mean less jobs for EU citizens in the UK?

Personally, I do not think that the EU is in the punishment game but they have not thought matters through.

1) They cannot continue the same level of trade with the UK if the UK suffers a fall in exports due to EU regulatory complexity or trade problems following Brexit.

2) Trade problems for the UK will

result in a flood of EU workers returning home.

3) Trade problems will mean there will be no will and no ability for the UK to make any financial settlement.

The EU has misidentified itself as a legal entity instead of as a political one. It is said that in the end the EU prizes its regulatory market and 'European unity' over any other goal. Yet the EU is now seriously at odds with all its major neighbours, Russia, Turkey, the United States and, possibly, the UK.

Unfortunately the EU made up its own negotiating mandate without any consultations with the UK. The Heads of State meeting to endorse the negotiating guidelines only lasted a few minutes. The British government originally said that it would not agree to this.... but, on the first day of talks in Brussels, it caved in. This sequence of events has created a lot of problems.

Accepting the disregard for the Treaty and initiating discussions based on the EU sequencing mandate means the negotiations will inevitably fail.

Source: Extract of Futurus Briefing "The Negotiations Will Fail"

Fishing facts

According to the New Economics Foundation, 70% of the fish we eat in the UK are caught in home waters. However, as the National

Federation of Fisheries Organisation for 34 years as much as 84% of the cod in the English Channel has gone to French fisherman and only 9% to the

British fisherman. In other words most of the fish we eat - in what were pre-EU membership, UK waters - are caught by EU (foreign) fishing vessels.

Time to talk trade

We hear that even Hilary Benn Brexit select committee chair now agrees that Brussels must now move to talking trade.

Theresa May warned in her Florence speech that both sides have a duty and indeed a profound moral obligation to take these discussions seriously. Although Mr Tusk has said that he doesn't see Brexit as a good thing this

is irrelevant the fact is that exit is an option which the EU Article 50 allows for.

There is no provision in Article 50 that allows the EU to refuse to discuss the exit process by submitting any special conditions on the process. It is simply the EU negotiators who are acting in a dictatorial manner.

Meanwhile Brussels has sought to

open discreet talks with the UK on what our and their World Trade Organisation tariff and quota regime should look like after Brexit.

Interestingly in May of this year a former European Court Judge, Franklin Dehousse, warned that the EU's tactics are "indefensible" and that Brussels is making "exaggerated" claims, they should "adjust to reality".