

## President Obama intervened in a crucial referendum. President Trump did not.

Some commentators see symmetry in the interventions anti and pro Brexit by successive Presidents. There is one crucial difference. President Trump is not intervening in an election or referendum, whereas President Obama deliberately tried to influence voting. Most of us think a government leader should not try to influence an election in another democracy during an election period. As it happens, I think it was an ill judged intervention, as it added to the unreality of Project Fear and ended up helping the Leave campaign.

The other difference with Mr Trump's intervention is his is a factual statement. Were the UK to accept the White Paper position it would be much more difficult to agree a Free Trade Agreement with a non EU country. President Obama, on the other hand, was saying he would seek to delay a UK free trade agreement which would otherwise have been possible. The Trump Administration would like to do a free trade deal with us, but can only do so if we leave the EU, single market, customs union and surrogates for them.

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## The White Paper is even worse than the Chequers Statement

The White Paper proposes the UK staying in much of the current EU. White is the colour of the flag of surrender. Much of this White Paper sacrifices the bold idea we voted for, that we wish to be a free and independent country again. It wants us to stick with the European Chemicals Agency, European Aviation Safety Agency and the European Medicines Agency, with Europol and Eurojust, with a joint customs area, continued co-operation on energy and transport, minimum EU regulatory standards in many areas, joint military development and an EU data regime. We offer to pay for all these things!

No, we voted to leave. Leave means leave. It means doing these things for ourselves, not paying the EU to do them and accepting EU rules and controls. The legal format of forcing us into an Association Agreement which bind us to all this through a Treaty is the worst of all possible worlds. We voted to be free, not to be bound in in some new way. The government says we would be able to diverge if we wished, and there would be independent arbitration. If we sign a Treaty we will be told that the people and Parliament are bound by it, and our freedoms will be circumscribed or lost again. We did not vote to

come out of one Treaty only to sign up to a watered down version of it instead.

Lets take the case of medicines. The UK has a strong position in the pharma industry, leading research universities in the field, and many experts. We should re establish our own Medicines Agency, and sell its services to third countries who would value our skills and knowledge, and would wish to be associated with our high standards. Our own Agency could be a focus of further work to expand and improve our industry, and the money spent on it will be spent in the UK, not sent to Brussels.

Or lets take the case of Aviation Safety. The UK has very high standards which we wish to preserve and a high proportion of EU air travel, given the dominance of London as an aviation hub. Again our global reach and ambition requires us to establish our own Agency and to work at a global level on high and rising standards.

The language of the government that they will end “vast annual contributions to the EU budget” is not good enough. We voted to stop paying any money to the EU, not just to the EU budget. Offering lots of smaller sums to a range of policies and Agencies, recreates our subservience to the EU and continues the strain on our balance of payments. Where there is regulatory work to be done, lets do it at home with UK experts and administrators.

Why do large parts of the UK establishment so despise us that they do not want us to lead or to adventure for ourselves? Why do they so dislike freedom? Do they really believe the best we can do is to be rule takers, meekly paying the continent danegeld?

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## [What is wrong with the Chequers Agreement](#)

I have spent time discussing the detail behind the three page Chequers Statement that I found wanting last week. On the eve of the White Paper, which is the longer version of the Chequers Statement, let me share with you why it has to change.

The Statement is based on the false premise that there is a border problem between Northern Ireland and the Republic which needs special arrangements on customs and trade to get round. I will explain again another day why this is untrue. It offers the EU a “common rulebook” to govern trade in goods and agricultural products. It offers a guarantee of no dilution of standards in a wide range of other policy areas. It proposes collecting EU customs dues on goods circulating in the UK destined for the EU, but does not say the EU has to collect UK customs on goods circulating on the continent destined for the UK. It says there needs to be a “Mobility” Agreement which erodes UK control

of our borders and migration.

The legal structure of the proposal is particularly worrying. The government wants to enter into a new Treaty or Treaties with the EU, creating a binding international law obligation over and above any UK Parliamentary say on these matters. The government says dispute resolution will be ultimately by an independent third party, but in practice decisions and policies of the European Court of Justice towards the common rulebook will be important and will be taken fully into account should the matter reach independent arbitration. Parliament will doubtless be told should we sign such a Treaty that in practice we have to follow its spirit as well as its letter.

The so called common rulebook is not a common rulebook. It is the EU's rulebook. That is why the ECJ will be important, as they define the rulebook along with the other institutions of the EU. The UK will have to accept all old and new laws that comprise the rulebook. It is true Parliament would have the right not to enact a new law, but there will be consequences with the EU allowed to impose trade penalties. It is also unclear how the Treaty obligation would sit with Parliamentary authority. I suspect Parliament would be told where it wanted to deviate from the EU rulebook both that there will be unpleasant consequences and that it breached the Treaty obligation.

The idea behind the dual customs system is that the UK can impose its own tariffs on goods for its market that are not necessarily the same as EU ones. This creates a complex set of arrangements, where the UK not only collects EU duties, but has to trace and follow any good coming into the UK to make sure it does move into the EU. A Free Trade deal would be a much better way of capturing benefits, with the preservation of tariff free UK/EU trade.

The Mobility framework has still to be defined, but it is likely the EU will push to recreate something like freedom of movement. I presume the UK government will resist this, but they would also need to be very precise and limited with concessions to avoid losing the right to design and implement our own migration policy.

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## **Best wishes to England**

Enjoy the game!

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# “No Deal”, the WTO global trading option, is the benchmark to beat for leaving the EU

The one good thing to come out of the Chequers meeting was confirmation that the government will speed and complete its preparations for leaving the EU without a deal. The government says it does not want to have to do that, but it needs to do it in case that it is the outcome to the slow and unhelpful talks. It is also important to put some weight behind the UK's bargaining position. Only if the government is prepared to exercise the No Deal option does the UK have clout. We should expect to see and hear more of the successful preparations in the days ahead.

No Deal delivers most of what Brexit voters want. It means we leave the EU on 29 March 2019 as promised. We leave without paying any extra money to the EU as a leaving present. We regain control of our laws, our borders and our trade policy. The only thing it does not give us is a free trade deal with the EU. I suspect if we look as if we mean to leave without a deal the EU would want to extend its current offer of a free trade deal for Great Britain into an offer for the UK, as we will of course not accept one which leaves out Northern Ireland.

The biggest win from no deal is the opportunity to spend £39 billion at home on our own priorities that we would otherwise give away to the EU. £39 billion spent at home would be a big boost of 2% of GDP. It would cut our balance of payments deficit by the same amount. Depending on the mixture of tax cuts and extra spending we chose, there would be additional gains from the stimulus effect of the money. The right tax cuts could power faster growth and more business success. Well deployed spending on education and training could help more people into better paid jobs.

We should also use all the £13bn we collect in tariffs on EU imports to give as tax cuts to UK consumers so we are no worse off from the tariffs. Doubtless we will also buy more UK goods when EU ones are dearer so we will be better off.

The next win from just leaving will be the right to control our own borders and settle our own migration policy. I expect the government to make it easy for tourists, students, investors and people with good qualifications to come to the UK. What the public wants is a decent control on people coming to the UK to take low paid employment, when we need to up the wages and recruit more local people to do the jobs, whilst investing in labour saving automation where the jobs are unattractive. We need to alleviate some of the stresses on housing and infrastructure which high migration rates in recent years have exacerbated. We want a fair policy, which does not give priority to people from continental countries over people from the Commonwealth.

The third win will be in global trade. Australia, New Zealand, Singapore,

Canada and the USA are keen to sign trade deals with us. We could join the Trans Pacific Partnership. To do such deals we need to be free to make our own calls on regulation, tariffs and non tariff barriers. Through our membership of the WTO we can create relatively friction free trade, as we enjoy today on non EU trade, with the added advantages that trade deals can bring.

The fourth and biggest win of all is we will re establish our home democracy. Our laws will be made in the UK, and can be repealed or improved by Parliaments we elect and influence. The UK will regain her vote and voice in a number of world bodies, including the World Trade Organisation and various standards bodies, so we can have direct influence on world regulation.

Any deal worth accepting has to be better than this. It would need to be a very good offer indeed to be worthwhile paying them £39bn more.