

Dont think the Withdrawal Agreement would just cost £39 bn

Most of us in the debate have accepted the Treasury estimate of the costs of the Withdrawal Agreement. However, there are no figures in the Agreement and certainly no cash limits on what we would have to pay. The readiness of the Remain establishment to use the £39 bn figure should be cause for concern. The out turn could be a lot higher.

The language is vague over how the sums will be calculated but tight and binding over our need to pay up. Under the Agreement the EU will set out how much it thinks we owe, and we have little power to push back and reduce it. No normal business or individual entering a contract would accept such an open ended and one sided arrangement. They will simply notify us of the bill, and charge us interest if we do not pay on time.

The pathetically weak UK negotiation even lost out badly over the European Investment Bank. As they want us out of it we should be repaid our capital and share of the accumulated reserves, At some point we gave up our rights to the reserves and would get our starting capital back on its own over an eleven year period. Meanwhile we remain on risk for our full starting proportion of uncalled capital. The accumulated profits and reserves are more than twice the called capital. so we get back under one third of what we are owed. There's a great one sided deal for the EU.

The EU told us the Withdrawal Agreement could not look forwards and tackle the future partnership, though it does where it suits them as over names of products from geographical areas. It also looks a long way forwards over money, requiring us to pay pensions for decades, to meet spending not yet committed and to meet benefit and public service charges for people not yet arrived here.

The UK is of course liable for full budget years 2019 and 2020 owing to effectively remaining in the EU without our vote and voice for the so called transition. We will pay our full share of own resources taxation and will continue to be liable after December 2020 for any money extra they wish to charge us. We will also be held liable for shares of commitments outstanding on December 31 2020 for payments to be made after we have left. and in the second year after we have left and beyond. There will be an attempt to have a final reckoning after 2028, though things like pensions payments go on long after that.

In other words the Treasury has effectively given them a series of blank cheques for a decade to come, without any apparent push back or argument over these huge and unspecified amounts. There are no figures in the main text of the Agreement to give the EU maximum flexibility to send us some big bills. What did the UK government think it was doing when it agreed to this?