The EU sets out its stall

The bark of the EU was less aggressive than the spin prior to the formal document. Mr Tusk tells us "The Union will be constructive throughout and will strive to find an Agreement". He sees the UK as a "close partner in the future". He welcomes the UK's understanding that you cannot belong to the single market without accepting all the four freedoms.

It is also clear that the EU would like a free trade agreement, and an agreement on intelligence, counter terrorism, defence and security cooperation. Indeed, why wouldn't they, when you see how it is so strongly in their interests. The Union is worried that the UK might seek to negotiate and talk to individual member states likely to be sympathetic, so the document seeks to ban any talks by the EU 27 individually with the UK about Brexit. The Union has moved its language a bit on the rights of UK citizens living on the continent and EU citizens living in the UK, in recognition that they need to reassure and secure the position of all involved. It still falls short of the full guarantee that should be offered.

So what are the catches? There are three main obstacles to an agreement latent in this proposal. The first is the continued provision for a "divorce bill". The language is less inflammatory and there is some understanding that any payment has to be based on "legal and budgetary commitments". So maybe they will see there are no financial obligations beyond our continuing budget contributions up to the date of departure.

The second is wish to delay work on a future trade relationship and other matters concerning our future co-operation until a second phase. This is reinforced by saying that any free trade agreement has to be "finalised and concluded once the UK is no longer a member state". If by this they mean the day after we leave we can register a free trade agreement already sorted out then this is fine, but if they mean we sit down and sort one out after departure they will have to adjust to high tariffs against their strong agricultural exports to the UK from Day One.

The third is the mantra that "Nothing is agreed until everything is agreed". This could delay necessary agreements over matters like citizens rights, and makes the likelihood of all the EU member states and the other EU institutions agreeing that much more difficult.

The UK in response to this should continue with warm words and friendly intent, but also should inject some pace and energy into the timetable. Uncertainty helps neither side. It will be no easier to agree these things in 2019 than now. Lets flush out whether thy are serious about wanting a deal. If they are not, lets just leave.

A draft letter for Mr Donald Tusk to Angela Merkel

Brussels April 1st 2017

Dear Angela

I have been holding your line that the UK cannot expect to discuss anything about the future relationship with the EU until they have agreed and settled a large bill for exit. I understand fully Germany's reluctance to put more money in to the next seven year budget framework just because the UK has left and is no longer helping pay the bills, but I cannot accept your view that is all the EU's fault. The member states also played their role in developing policies and attitudes which clearly upset too many people in the UK. The European tradition of showing respect for government, and voting again if a referendum miscarries, is not unfortunately practised in the UK where apparently they accept the result.

I have to say I don't think the current line is going to work. The UK is emboldened by what has happened so far, and they seem to be losing their fear of the consequences as a result. We saw how Project Fear warning them of bad economic consequences did not stop them voting against the EU, and the absence of such negative results so far has strengthened the hand of the Brexit side in the argument. We also need to be aware that there are now pro Brexit Ministers in the government, and advisers who are also of that persuasion. It will be very difficult for us all if at the first meeting we present the bill and the UK simply refuses to accept any liability. They apparently believe there is no legal basis in the Treaties to require them to pay other than their regular contributions up to the date of exit. I am struggling to find a counter to this case.

I am being lobbied by business and farmers from Germany and elsewhere that they want us to keep tariff free trade for cars and to avoid high WTO tariffs on agricultural products, two areas where the EU has a large balance of trade surplus with the UK. I am also being told by other governments that they don't want to anger the UK, and do not wish to lose the valuable intelligence, military co-operation, scientific collaboration and various joint investments and activities. May I suggest we do not have a prolonged wrangle over talks about talks, as this could also fuel Eurosceptic and other hostile opinions in France, Italy and elsewhere where we face elections soon. May I also respectfully suggest that you do not speak out before consulting other states, as there is some private resentment of this.

Perhaps we could get together soon to see what we can salvage from this tricky situation. There is a case for cutting our losses with the UK quickly before it splits the EU and diverts us from our most important task of creating greater unity amongst the remaining 27.

<u>The Great Repeal Bill - the Bill all</u> <u>MPs have to support</u>

I am happy with the principles behind the proposed legislation. Whilst we are leaving under the Treaty provisions, the actual legal abolition of EU power in the UK requires the repeal of the Act of Parliament which gave the EEC, then the EU, the powers in the first place.

The Bill is misdescribed as the Great Repeal Bill. It is really the Great Continuity Bill. Its prime purpose is to transfer all current directly acting EU laws and past court decisions into UK law. It is therefore reassuring to all those who voted Remain because they liked current EU laws and protections, as this legislation will preserve them and make them UK requirements on our departure.

Labour and the Lib Dems were keen to stress their wish to see areas like employment law protected. This Bill does just that. They will therefore need to vote for the Bill to carry out their clearly expressed wish that every EU employment protection survives Brexit. This should be an unusual Bill where the whole House wants to support it. There will of course be amendments which will cause debate and division, about how much detail has to be put into the Act itself. Anyone who does not vote for this Bill is supporting no continuity in our laws and uncertainties over what the law is in many fields.

Some are now saying what is the point of leaving the EU if we keep all the EU laws. The point is once they are UK laws, we in the UK can decide to keep them, improve them or remove them. The UK government has reassured the Opposition that it has no wish or intention to repeal or dilute any of the employment protections that stem from EU law all the time it is in office. The government does, however, wish to introduce new border controls and benefit and migration policies, which is only possible once we have taken back control and transferred the EU border and benefits law into UK law. This will of course need UK primary legislation which will go through a full parliamentary process to change what we currently have. I also trust the government will want to put through a new fishing policy which is kinder to both our fish and our fishermen. That too will need a full Parliamentary process with new legislation.

I have commented before on the so called Henry VIII powers. Most modern Acts of Parliament have needed Statutory Instruments to implement them and handle the details. The scope of this is debated by Parliament when the Act is passed. Each Statutory Instrument itself is put to Parliament, and Parliament

The future of Mr Carswell

Knowing how keen some of my contributors are to discuss UKIP and its role, I feel I must mention the recent loss of UKIP's one elected MP. Mr Carswell no longer feels UKIP has a task given the decision to leave the EU. He believes that was its main proposition, and therefore thinks it is redundant now that has been adopted by the public. Others in UKIP think there is a continuing role in the future for the party, as they seek to define its stance on a range of issues other than our relationship with the EU.

I am not going to express an opinion on this difference within UKIP. I would be interested to hear from those on either side of the argument. Some will think Mr Carswell has behaved sensibly and has explained how voters and elected officials need to move on now the issue of EU membership has been resolved by popular vote. Others will think Mr Carswell was wrong, and will see a future for UKIP.

What kind of a party should UKIP be going forward if you think, unlike Mr Carswell, it has a future role? What should be its distinctive policies and platform?

The response of the EU to the letter

It is curious that some in the EU seem to think there needs to be a long negotiation over the UK's exit. The UK has announced its intention to leave, and can do so after two years or before by mutual agreement. It is difficult to see why these democratic friendly nations would want to keep us in the EU for a whole two years if we just want to leave and if they do not want to talk about the future relationship. Of course the UK will pay its regular bills up to the point of departure. There is no legal requirement to pay anything else.

The UK is making a very friendly and generous offer — full tariff free access to our market, full rights for all EU citizens currently here, continuing defence and security collaboration and much else. All we ask is the same courtesies in return. I always defend the other member states and EU from allegations that they want to damage themselves and us during this process. I now look forward to them living up to the fine ideals of democracy, cooperation and free trade which they say are part of the EU scheme. I would

expect them to see that free access to our market is an important advantage for their farmers and others who would face higher tariffs under WTO rules.