

The dangers of Transition

The news yesterday that Mr Barnier does not think there has been enough progress was in a way a relief. The only progress the EU will currently recognise is a firm UK offer of large sums of money we do not owe. As long as we continue to decline to offer cash, they will probably come to the conclusion they need to talk trade as it is in their interests to continue tariff free. If we start to offer cash they will hang tough for longer. I was delighted to see the UK electorate are better bargainers than the Parliamentary Opposition. 74% agree that No Deal is better than a bad deal, the only way we have a negotiation that gives us great leverage. The way to end the uncertainty is to prepare for No deal and to show we are ready to leave in March 2019 whatever the response of the EU.

I am writing about this again today, knowing some of you think I write too much about Brexit and others complain whenever I do other topics. I do so today because this is an important moment ahead of the EU Council, when the UK needs to stand firm to avoid drifting to a bad deal.

The PM is clear that we only have a transition period if there is an Agreement to transit to. She has also said No Deal is better than a bad deal. She does not want transition to be any longer than is needed for implementation, and argues implementation times may be different for different clauses of any Agreement.

There are growing demands amongst Brexiteers not merely to pursue No Deal as a prudent contingency plan but to pursue it as the main plan. The EU might then decide it wanted to offer something better to us in its own interests. It would also avoid the problem of UK negotiators ending up offering too generous a settlement.

There are four big worries about relying heavily on eventual Agreement. The first is money. One of the main prizes of leaving the EU, as advertised prominently in the Referendum campaign, is the right to spend our own money. Giving away two more years of net and gross contribution delays any benefits and leaves the UK Treasury very tight for domestic programmes and tax cuts.

The second is the ability to make our own trade arrangements. If other countries think the UK will not be able to sign a trade deal for another three and a half years it removes the enthusiasm and urgency currently around to get something done. If the UK is not in control of its own regulations it limits the ability to negotiate a services agreement with others.

The third is the issue of powers. The PM was clear in the Lancaster House speech and White Paper that leaving the EU meant leaving the jurisdiction of the ECJ. Imposing the Court on ourselves for another two years limits our legislative as well as our judicial independence, as the ECJ is superior to Parliament.

The fourth issue is the ever growing volume of EU law. The EU could use a

long period of transition to impose on us and our businesses a whole range of new legislative burdens designed to help the continent or to hinder business generally. Once we are out any new burdens only apply to our business with the continent in line with the requirements they impose on themselves, and no longer apply to the dominant domestic business or exports to the rest of the world.

These serious concerns are turning more people to see advantages in No Deal. That will produce a world where we can change regulations for domestic and non EU business , can sign trade treaties, spend our own money and be in charge of our own laws. We can have, for example, a fishing policy that works for us. That would be a popular early win from a clean departure on March 29 2019.