

The EU is more preoccupied with migration than with Brexit

So as I and my allies predicted, the EU has turned down the Chequers proposals. We tried hard to persuade the PM to move on from Chequers. We did not want her rebuffed for proposing the impossible. How do her advisers who disagreed with us and told her to throw all her political weight behind Chequers explain what they have done? What do those Cabinet Ministers who went along with it have to say now about the delays and loss of negotiating capital it has caused? Can they now see they set her up to fail? Will she now listen to pro Brexit advisers who want what is best for our country based on organising an early exit?

The Prime Minister got just ten minutes to state her case to the assembled heads of state and government after dinner on Wednesday at Salzburg. The long dinner conversation was about borders and security. The working session yesterday was also about security and borders, in preparation for decisions on these matters at the October Council. The 27 did have a lunch time conversation about Brexit in the absence of the UK.

This tells us something very important about the EU. They are very worried about the political movements in member states demanding a change of policy on migrants and borders. Maybe they do not see Brexit as sufficiently important to allocate proper time at member state level to discussing it, preferring to let their representatives from the Commission handle these matters. Maybe they were so annoyed at Chequers that largely ignoring it seemed the best response to them .

Given the position of the UK Prime Minister and the clear position of the EU on the integrity of the single market and its wide ranging associated policies, there is no deal in sight. They need to take that into account at the October Council. As someone who thinks leaving without a Withdrawal Agreement works well for the UK, the same cannot be said for the EU. Their one sided Withdrawal Agreement is a very good deal for them, which they can lose through the casual approach of the Council allied to the formal and legalistic approach of Mr Barnier.

Could the two sides get an agreement? Only if both change their approaches substantially. The UK has to give up the ideas in Chequers that we stay in the single market for goods whilst leaving the rest of it and leaving the customs union. The EU wishes to preserve the integrity of their bureaucratic single market, and not have a country half in it. We need to abandon the idea that we will collect their customs dues for them. The EU has to give up the idea that it can split the UK by treating Northern Ireland differently to the rest. Then there is a simple question for both parties. Do they want a comprehensive free trade agreement like the Canada one or not? If they both do, it could be agreed in time for exit on 29 March 2019, based on the Canada draft with some added advantages that come from starting from a tariff free position on all items.

My view is as there is no legal obligation to pay a Withdrawal sum there is no need to sign the Withdrawal Agreement, and no need to pay for a Free Trade Agreement. Doubtless some in the government would be willing to compromise on this approach in order to get something agreed. In order to get any compromise through the UK Parliament, it has to be visibly better than simply leaving without a Withdrawal Agreement. £39bn is a huge sum of money that could do a lot of good at home. Trade under WTO rules with the rest of the world works fine for us, so we can manage on March 30th with no Withdrawal Agreement and no so called transition or further delay. The sooner the UK sets out its tariff schedule for March 30 next year the better. The tariffs do not have to be as high as some EU ones are. EU tariffs are high on food and 10% on cars. Much of our export activity including all services will be tariff free even on EU tariff schedules.