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**Latitude and Wrongitude:  
Red Lines and Fault Lines  
in the Brexit White Paper**

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## **Latitude and Wrongitude: Red Lines and Fault Lines in the Brexit White Paper**

### **Introduction**

The publishing of the Government's Brexit White Paper<sup>1</sup> has been accompanied by a leak of the key details behind the counterpart document – the version that was preferred by ministers at the Department for Exiting the European Union.<sup>2</sup>

The latter holds far more closely to the ambitions set out in a series of speeches by the Prime Minister and Cabinet colleagues. Those commitments have themselves been set out, theme by theme, in a past Red Cell paper.<sup>3</sup>

The fundamental problem is that the core premises of the two models are incompatible. The Cabinet Office has been unambitious in its drafting, having retained its Cameronian fear of the European Commission, and has retained in the form of the *Common Rule Book* the supranational approach that is inherent to the EU's way of doing business. This might be expected of senior bureaucrats steeped in the EU's comitology. DExEU by contrast has sought to implement both the spirit and the letter of the referendum vote by shifting to an intergovernmental model. Much time has consequently been wasted by Downing Street seeking to reconcile the irreconcilable.

It is not our intention in this paper to focus on the extent to which individual red lines have been snapped or twanged. Rather, we intend to briefly consider new ambiguities and risks that arise, should the Government White Paper rather than the far superior Departmental White Paper be retained as the basis for future negotiations.

A large number of the elements raised by the White Paper have been covered in our listings for the *Brexit Risk Register*. We do not intend to repeat them here, especially those that we have already recommended (although it might also be noted a large number of specific elements contained therein are not cited). In many cases, the proposals could be replicated without shadowing the Single Market, so discussing them in this paper is not necessary either. Our objective here is to rather review some of the key headline considerations that may help inform Whitehall officials and ministers as negotiations continue, to assist them as they reflect on whether what evolves from this draft will be a "Bad Deal".<sup>4</sup> The omens already do not look promising.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/724982/The\\_future\\_relationship\\_between\\_the\\_United\\_Kingdom\\_and\\_the\\_European\\_Union\\_WEB\\_VERSION.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/724982/The_future_relationship_between_the_United_Kingdom_and_the_European_Union_WEB_VERSION.pdf)

<sup>2</sup> The leaked highlights are on ConservativeHome. There are elements of similarity and others of considerable variance.

<sup>3</sup> [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/ex\\_cathedra.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/ex_cathedra.pdf)

<sup>4</sup> For context: the author of this paper provided the briefing analyses for two EU treaties for the Conservative Front Bench; and was AdC to the Conservative Parliamentary delegate on the European Convention, being attributed the media lead by CCO Press Office during its drafting.

## The Common Rule Book

This core element of the deal is intended to cover goods, and “only those rules necessary to provide frictionless trade at the border.” The UK in short mirrors the EU’s rules. This raises the profound question as to how defining that restriction will be arbitrated: there is precedent in how interpreting what constitutes ‘pure trade’ issues has been expanded into areas where EU institutions view competitive advantage arising within the Single Market.

Significantly, there is also an upfront commitment, which the UK will sign up to in treaty, to accept ongoing (future) harmonisation with EU rules. This risks constituting a blank cheque for not only past *acquis*, but future *acquis* as well. As a treaty commitment, Parliament will not in practice be able to do any more than it currently does in terms of mitigating the impact of these rules (see later). As a final injury, this also means attempts to remedy existing red tape problems in oversight will be stymied by these provisions.<sup>5</sup>

It is completely unclear in this context how it can be claimed that the arrangement is “fully respecting the sovereignty of the UK” or means “Parliament having the right to decide which legislation it adopts in the future,” since it provides for at best only the existing paltry Parliamentary safeguards over EU law.

The White Paper meanwhile appears to acknowledge it is casting aside an opportunity. It declares, “Northern Ireland and Ireland form a single epidemiological unit” (p.24) - a fact embodied by joint or compatible databases, and pan-Ireland exemptions from zoonoses-based bans. Presumably this is a vestigial survival from the DExEU draft. This ought to have been pursued as a mechanism to mitigate the need for Ulster border checks: it should remain a feature of No Deal preparations in any case.

## The Pursuit of Equivalence

The White Paper highlights how the EU already has arrangements with third countries that allow for mutual recognition for testing, approval and control (p.23). This element was a key component of the DExEU proposals, and pursuit of this should still be widely undertaken across departmental teams as a core part of the Strongly Mitigated No Deal preparation planning.<sup>6</sup>

The White Paper also states that the Common Rulebook on Agri-Food does not need to include anything on labelling. We consider it unlikely the Commission will yield on this point with respect to UK exports into the EU: indeed the wording seems to acknowledge it by referencing “the local market.” This raises then the question as to whether the UK intends to require EU exports to meet UK labelling requirements, or whether the expectation is likely to be just the one way.

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<sup>5</sup> See [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/brexit\\_red\\_tape\\_challenge.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/brexit_red_tape_challenge.pdf)

<sup>6</sup> The White Paper itself admits that the general DExEU approach is better: “Tailoring the regulatory environment to best suit businesses operating in the local market is better for consumers, businesses and the environment”!

## Tariffs

The customs system that is being mooted is predicated upon the delivery of a trusted trader system, but even then requires the end destination to be “robustly demonstrated” otherwise the higher tariff is paid. It is not clear, however, what assessment has been made of how many businesses will chase up any owed customs differential or be forced to simply write it off as too costly to administer.

Also significantly, it is not indicated the extent to which and where TOR (Traditional Own Resources) collection costs will be attributed – this amounts to 20% of the revenue collected and which are retained by the collecting agency/country rather than handed on to the EU core budget.

Additionally, it might be a useful general indicator for HMG to provide an analysis of how much revenue will be going into the EU budget from this mechanism.

A practical consequence of introducing this management system will be to discourage the UK from diverging from the EU’s tariff rates by anything other than a massive margin, which reduces the chances of it happening at all.

A troublingly vague variable is contained in the observation, “There will need to be a phased approach to implementation of this model”.

## Fax Democracy

The reality is that the Common Rule Book leaves the UK in a shadow EEA deal, and as a rule taker.

Mere reference to respect for the UK’s sovereignty does not secure it; equally, reference to the provision of Parliamentary scrutiny does not, as we know from EU membership, make it meaningful.

There will be a heavy incentive for the UK Parliament to keep mirroring the EU *acquis*. The consequences of not doing so will be constantly menaced;

*“As would be its right, the UK Parliament could ultimately decide not to pass the legislation, but it would be in the knowledge that there would be consequences from breaking the UK’s international obligations, as there would be for any international treaty, potentially for market access, border frictions or security cooperation”*

Constitutional lawyers might ponder on whether such a vote would technically then be a vote of no confidence in the Government under Ponsonby principles, with all that such in turn entails for whipping.

It also adds an additional level of frisson to devolved assemblies, should members of an obstreperous political party with a grievance of the hour resolve to vote down something that falls within their purview.

Meanwhile within the comitology system, while recognising the hierarchy of international standards making is often higher than Brussels, we are alarmed by the admission that “The UK would also seek participation – as an active participant, albeit without voting rights – in EU technical committees that

have a role in designing and implementing rules that form part of the common rulebook.”<sup>7</sup> More detail is required on the constraints being obliged by the UK itself on its own standards making bodies when attending international fora, where an EU consensus has been reached while a mute UK observer sits in the corner of the room.

## Hamstringing DIT

One particular paragraph is potentially extremely important. It raises questions about the extent to which the UK will commit to binding its domestic market to accept only EU standards, rather than allowing products applying EU and other national standards to operate in competition.

*“The UK has long advocated a convergence of rules and standards for goods, whether as a member of the EU or on the global stage. The adoption of a common rulebook means that the British Standards Institution (BSI) would retain its ability to apply the “single standard model” – so that where a voluntary European standard is used to support EU rules, the BSI **could not put forward any competing national standards** [our emphasis]. This would ensure consistency between UK and EU standards wherever this type of standard is adopted, with input from businesses, by the European Standards Organisations (ESOs). It would ensure consumers do not face multiple standards for the same products.”*

Implementing this surely prevents the UK from entering into meaningful bilateral deals or pursuing significant FTAs. Many global trading nations are engaged only indirectly or not at all with European trading standards bodies. This commitment shuts down the option of accepting equivalent standards that are still consumer-friendly: why then should another country allow unreciprocated access in return?<sup>8</sup>

## Divergence

Absolutely key to the long term success of the Cabinet Office model will be how divergence is facilitated.

In a separate paper we have called for a clear inclusion of a **Careening Clause**.<sup>9</sup> This would allow for much easier divergence from heavy and costly Single Market demands, by mitigating the wider impact from such divergence happening within individual sub sectors.

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<sup>7</sup> [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/life\\_of\\_laws.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/life_of_laws.pdf). The case study of car windscreens given in it explains how European (not EU) standards were reached that also incorporated a communal sign off over American/Canadian and Japanese equivalent standards: the White Paper deal may seriously jeopardise this approach. (As a passing anecdote, senior FCO diplomats I have met tend to hold international standards bodies in low esteem, considering them career backwaters of little consequence, and prefer the working environment of Brussels: a grave error that may have much to do with the miscalculations contained in this Whitehall draft.)

<sup>8</sup> This is despite the White Paper almost trolling itself on p.48: “The EU itself estimates that 90 per cent of global economic growth over the next two decades will be generated outside the EU”.

<sup>9</sup> [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/blue\\_touch\\_paper-.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/blue_touch_paper-.pdf)

Unless a Careening Clause is included that allows the UK (or indeed the EU) to diverge with ease and with a delineated tit-for-tat response, then there will never be any divergence. Problem areas would remain unresolved through fear of broad retaliation and escalation, and the Brexit terms would become a running sore.

The proposal set out on p.90 of the White Paper falls short of fully addressing this. It includes a dispute mechanism, and usefully adds a compensation mechanism. But it does so without resolving the problem that is inherent to the EEA mechanism which appears to be the source model. The ultimate sanction in the White Paper is that “Where there was no agreement over these measures, or they were not possible, the relevant part of the future relationship could be suspended.” A great deal rides on interpreting “relevant” and how far ranging that runs, and more to the point who makes that call. Proportionate response, as a concept usefully supplied with given precedent, is contained in true bilateral pillar areas (p.94), but then associated only with the principle that breaches are meant to be temporary.

This core arrangements as they stand contain too many locks and bolts.

## Free Movement

The deal as expressed does intend to end free movement. It states that it would give the UK control over how many people would come to the UK. Of the five areas a deal would cover, two relate the workers. The first relates to helping

“support businesses to provide services and to move their talented people”

This is highly predicated on “talent”, and by implication on the size of the business putting in the paperwork. The second arrangement would

“allow citizens to travel freely, without a visa, for tourism and temporary business activity”

“Temporary” is a flexible term and could, for example, still allow tens of thousands of unskilled migrant workers, if the qualifying definition of “business and equivalent arrangements” is allowed to weaken in the course of negotiations. We consider this a low threat but one to watch the wording over.<sup>10</sup>

## State Aid

This section guarantees Corbyn’s Labour Party will at least split, and probably oppose, the text.

(This is not a criticism of the draft: merely a consequential fact.)

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<sup>10</sup> A test check might be to reflect on how the relevant appeal authority would consider a complaint by a self-employed individual who engages in low skilled work on a faux contract basis. Though the (hourly and piecework) agricultural sector is not set up to handle this work around, certain sectors might be.

## **Social and Employment**

For some reason, the Conservative Government is endorsing the Social Chapter as a core part of future economic policy, and a baseline of its negotiating strategy. This is beyond not wise.

## **EU Agencies**

The UK commits to a very close relationship, short of full membership (presumably only because since that is not possible on existing institutional rule book terms), in those agencies that provide input into highly regulated goods sectors. Chemicals, Aviation and Medicines are referenced. We note that the Medicine Agency is already committed to leaving the UK for Amsterdam regardless.

There are 53 such quangos, employing over 15,000 staff, costing around €10.1 bn annually. A past audit by The Red Cell concluded we should leave 43, form a Strategic Association with only 8, and retain close association with only 2 - and that was only because of the immovable presence of a nuclear reactor.<sup>11</sup>

The specific proposals as set out (on p.22) call for a loose level of institutional engagement. Anything deeper will become highly problematic, and the suspicion arising from the wording in the Executive Summary is that there is an element of flexibility attached.

## **Shared Prosperity Fund**

This, along with reference to “Socio-economic co-operation”, reads dangerously like continuing to pay into EU Regional and EU Social Funds.

The UK has done extremely badly out of these in the past, getting roughly half its money back. Much more information is required.

## **Geographical Indicators**

These are totemic to certain EU countries, and it is appropriate to deploy these robustly as negotiating chips. The UK has relatively very few; and these are either unimportant or, in the case even of whisky, overstated. Meanwhile even countries like China can get on the EU registers.

## **Single Electricity Market**

The Republic of Ireland is dependent on energy transhipped via the UK. While the issue is complicated by peak/off-peak considerations and by deliberate policy decisions to close down some Ulster power stations in recent years over energy mix grounds, this should be considered an area

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<sup>11</sup> [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/the\\_tangled\\_web\\_-\\_eu\\_agencies\\_after\\_brexit.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/the_tangled_web_-_eu_agencies_after_brexit.pdf)

where blind concessions are unnecessary. (The same principle applies later over Irish haulage access rights.)

## **Broadcasting**

There is a risk that by emphasising the UK will still be eligible for European Content rules (p.37), it will be expected to continue to contribute to funding cinema grants (largely intended to subsidise a French cinema chain) and non-English language B movies; and will be doomed a perpetual struggle to ward off demands to sign up to foreign language tv quota, along with social, content, and employment obligations.

Notwithstanding the recent popularity of Scandinavian detective films within the UK market, US series and Australian soaps are less obviously alien to UK viewers and affiliation with this chapter of EU policymaking should be resisted.

## **Animal Welfare**

This subject provides an example of an area that is not developed in the paper, but where reflecting on case studies helps explore what the deal means. Single Market rules allow for tighter legislation by member states to secure greater provisions for animal rights, but only providing they are not seen as a deliberate attempt to unbalance trade.

So, would it be possible for example to ban foie gras in the UK? Presumably so, especially after the refusal by the French industry to go to the WTO following the California ban, but it would trigger reciprocal EU action.

Would it by contrast be possible to ban the live export of animals? This is even more difficult to predict, since it might be contended for example that the UK has better frozen meat facilities than some member states. Then there is the issue of differential tariffs depending on whether the livestock is alive, chilled, or processed. Might it end up being possible for the British Government to only readily ban UK exports while being obliged to allow live imports from the EU; and how would that go down in public eyes?

## **Defence**

The White Paper replicates a previous error, by repeating a blank cheque commitment to “maintain Europe’s security” without either underlining its intent to step away from developing PESCO (Permanent Structured Cooperation) arrangements, or stating that the EU maintaining strong commercial links with the UK is itself an act of self-interest on its part. Judging in particular from the commentary on p.67, a strong negotiating card has been badly played with no real appreciation of the long term strategic risks in play.



It is consequently worth here briefly reiterating the nature of the PESCO project. The EU is accelerating towards Defence Union, an objective already expressly permitted within the treaties. The UK meanwhile is standing still in setting concrete. The elements are disparate but combine to generate a dangerous collective institutional framework, best summarised in the diagram below.<sup>12</sup>



Critically in this context, the White Paper bases future plans for cooperation on existing tools and mechanisms, which in fact means the new integrating system. It additionally, and recklessly, includes an endorsement of UK engagement over procurement beyond what is necessary for simple cooperation - “bolstering the competitiveness of the European defence industry”. There is no ‘European defence industry’, though there is a new EU commitment to creating a Single Market in Defence, which would be highly central managed and carries extraordinary risks to UK capabilities (a ‘CFP for dockyards’).

It is not clear meanwhile why the UK should be engaged in a mission to “protect and promote European values”. This is Commission speak. Why not “Western values,” “common values”, “Western values”, “liberal values” (small ‘l’), or for that matter “Canadian values”. That Whitehall has adopted this terminology is a concern.

The commitment to engagement on civil protection additionally appears to endorse EU agencies that duplicate UN ones, including ones with regional European offices.

<sup>12</sup> <http://veteransforbritain.uk/risksleaflet/>

## Security

The White Paper also commits the cardinal error of desperately seeking to participate in Europol and Eurojust (and other agencies and elements) without qualifying the level of partnership. While Europol for example has an agreement with Australia, it has a more general strategic agreement with China, and is in the process of finalising the end status for Denmark – the EU member that left.

The Copenhagen example is telling; it has been far more wary of the political risks and ambitions associated with Justice and Home Affairs (JHA) cooperation than the British Home Office – an audit in 2009 showed the UK already waiving opt out rights in 68 cases while Denmark had done so in only 4.<sup>13</sup> The UK should take Denmark as its lead.

## European Arrest Warrant

The existing agreement is notoriously problematic on human rights grounds.

The White Paper notes, “for every person arrested on an EAW issued by the UK, the UK arrests eight on EAWs issued by other Member States,” which should be reason enough to anticipate an alternative deal could be forthcoming.

Less efficiency on the grounds of greater democratic and judicial oversight should not be an excuse for not proceeding along such a route. The same applies for other JHA elements such as the EIO. However, focus should be placed on maintaining a small number of specific operational agreements, familiar to the professionals, that are genuinely of considerable tactical value.

## ECHR

The wording – “The UK is committed to membership of the European Convention on Human Rights” – condemns the UK Government in perpetuity. It prevents the UK from ever being able to correct the huge failings that underpin and are conceptualised within the Human Rights Act 1998, and drops the previous Conservative commitment to leave the ECHR and establish a British Convention of Human Rights and Responsibilities, reproducing the positives but without the flaws.

There is a real risk that the UK will now remain locked into the decadent current system of Fourth Generation Human Rights ambulance chasers, where activists try to change society not by democratic means (since they lack a majority and a mandate) but by directly kicking the law until it moves.

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<https://d3n8a8pro7vhmx.cloudfront.net/taxpayersalliance/pages/231/attachments/original/1427449903/jhaoptins.pdf?1427449903>

More immediately headline catching will be an endless stream now of cases involving the loosely and endlessly redefined human rights of terror suspects and bogus asylum seekers. These cases will continue to dangerously sap public confidence in the nation's legal and political systems.<sup>14</sup>

## International Development

The commitment given is "The UK will critically assess the rationale for close collaboration depending on the situation and be rigorous in assessing whether each contribution to the EU offers value for money."

This means at most ending up with a system that allows for *ad hoc* cooperation, and no annual commitment to the common budget.

## Oversight

The above raises the important question of systemic oversight. It is uncertain, from this White paper;

- How the UK will link in with the work of OLAF and counter-fraud investigators;
- What powers each side will have within the jurisdiction of the other;
- What in particular will be the part of the corpus juris system and the European Public Prosecutor;
- What will be the status of whistleblowers

We also note that there is no stated commitment to resolve the ongoing existing cases involving long-suffering EU whistleblowers of UK nationality, which should be a Government objective.

The reader is directed to a paper on the subject.<sup>15</sup>

## Fisheries

There should be concerns over some of the vocabulary. The assertion is the UK will be a sovereign state, but HMG commits to annual negotiations and as part of that "sharing". This implies a presumption of not preserving catch to UK vessels, which should at the very least be acknowledged as an option prior to negotiation.

The section on "Fishing Opportunities" sets out the huge discrepancy in catch;

*"On average, between 2012 and 2016, UK vessels landed approximately 90,000 tonnes of fish each year caught in other Member States' waters, and other*

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<sup>14</sup> For some back history, see

<https://web.archive.org/web/20101217121230/https://www.taxpayersalliance.com/echr.pdf>

<sup>15</sup> [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/unfinished\\_business.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/unfinished_business.pdf)

*Member States' vessels caught in the region of 760,000 tonnes of fish each year in UK waters."*

What it does not say, however, is that this discrepancy will now **end**. It says there will be negotiations. This is not good enough.

### **Joint Institutional Arrangements**

The EU-South Korea trade deal is overseen by committees meeting very infrequently – once or twice a year.

A key indicator of the degree of sovereign power reclaimed will be judged by the scale (staffing numbers and budget) and operational frequency of this new layer of bureaucracy, and the delegated power accorded. Which minister will have oversight? And at what rank?

### **Luxembourg Courts: Supremacy**

There is an apparent logic flaw in the text.

The Common Rulebook means applying the existing *acquis*, which by definition is governed by the CJEU. The UK is obliged to respect that.

It is simply impracticable for the EU to refer all future CJEU cases with an element of trade implication to joint review, since many rulings carry secondary rather than primary impact and set precedent without any UK nationals being involved.

Where there is a divergence in interpreting the rules, a dispute resolution mechanism is to kick in. This, however, will largely by definition be after the event. It is impossible to see how the Commission or CJEU would in practice re-evaluate retrospectively a ruling found to have wider implications. It is difficult enough simply trying to work out how oversight would operate normally simply trying to spot where a case might have a degree of relevance. Who would be responsible? The Joint Committee (unlikely), or one of its elements, or more likely one of the parties, or both, and possibly on different sides? If such a submission were overruled, it is then difficult to see how far arbitration or further discussions within the Joint Committee could retrospectively then shift the ruling and affect the end consequence.

Perhaps a fresh slide in the next version of the White Paper demonstrating a complex wire diagram on how it is supposed to operate may assist. On page 93 there is a forlorn attempt to square this circle, which simply does not work;

“The UK recognises that only the CJEU can bind the EU on the interpretation of EU law, and therefore in these instances, there should be the option for a referral to the CJEU for an interpretation, either by mutual consent from the Joint Committee, or from the arbitration panel. The CJEU would only have a role in relation to the interpretation of those EU rules to which the UK had agreed to adhere as a matter of international law. The Joint Committee or arbitration panel would have to resolve the dispute in a way that was consistent with this

interpretation. This would respect the principle that the court of one party cannot resolve disputes between the two.”

In other words, the CJEU is a point of reference in dealing with helping the EU determine its own obligations for bilateral material. However, it is the binding court for anything that comes under the Common Rulebook.

The crunch then is who determines what exactly falls under the Common Rulebook? If the CJEU makes an assumption as part of a ruling, how is that salami slicing reversed? This is a problem that already haunts the EFTA Court.<sup>16</sup>

The only realistic safeguard here is to hold onto the right to appeal upwards and outwards to the WTO Court, which thankfully is contained in the White Paper, but will be a route the Commission in its negotiations will try to close down. (We are not sure how third party arbitration is meant to fit into this package: this too might be usefully expanded)

### **Luxembourg Courts: General Application**

It is not clear how UK judges themselves would be in a position to follow CJEU case law, short of it being brought to their attention by a specialist lawyer engaged by one of the two parties. This itself presumes a precedent is anticipated as being relevant to that court.

The expectation (p.91) that the CJEU should take as much notice of UK case law as vice versa is in this context necessary, but we consider this likely to be a forlorn demand, unless specifically cited by a UK agent engaged in the case as an interested party.

We also meanwhile predict early complaints by judges who feel driven into following the EU’s interpretation of the shared *acquis* on the basis that it should be down to politicians to sign off on consequential actions that end up with trade deals should be breached.

(For these reasons we anticipate vocal support for this White Paper from specialists in EU law, who will do well out of this.)

Additionally, there is a an unanswered question in the text arising from this clause on p.92;

*“the UK would respect the remit of the CJEU such that if there was a challenge to a decision made by an agency that affected the UK, this could be resolved by the CJEU, noting that this would not involve giving the CJEU jurisdiction over the UK.”*

The full impact of this has evidently not been gamed out by Government, and it needs to do so as a matter of urgency. The caveat is shallow and will not mitigate the effect: there will be indirect CJEU jurisdiction on UK decision-making through this route, safeguarded only by a domestic veto that all parties will be most reluctant to yield.

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<sup>16</sup> See [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/a\\_warning\\_from\\_norway.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/a_warning_from_norway.pdf)

Note in particular that the European Defence Agency is accruing considerable powers over strategy, budgets, and industrial policy.

## **Culture and Education**

Given that these two areas are most intimately associated with the EU's massive PR (propaganda) machinery, agreements covering these segments need to be drafted very cautiously.

Our paper looking at EU funding for Social Sciences at Universities explains why.<sup>17</sup>

We are alarmed by the Cabinet Office naivety in stating the UK remains "committed to continuing its support of European culture." It might at least have been mitigated by underlining the core role for this should be with the Council of Europe.

## **Eurozone**

The following might be interpreted as an indicator of lack of trust in the EU not to try to tap the UK for money during the next Eurozone crisis (p.92);

"To provide as much legal certainty as possible, the future relationship should also outline the potential implications of a party not complying with these commitments. Further, to ensure that both parties can respond to unforeseen shocks, whether economic, social, environmental or security related, the future relationship should include provisions for how the agreements would allow both the UK and the EU to respond."

Such suspension clauses are normally included in the EU treaties to provide legal cover for emergency actions in case of a massive economic or social shock, where a huge amount of state aid needs to be literally doled out. It has been abused in the past to justify regional or sectoral state aid (such as German coal mines), though less so today; or for allowing one-off EU grants to 'improve' an industry or pay off sacked workers. The wording in this case appears a little unusual and so seems to go beyond those customary provisions.

A water-tight door needs to be established that does indemnify the UK from liabilities during the next Eurozone crisis. Past experience has been salutary. Happily, being outside a common budget would minimise such prospects, though EIB assets might be at risk.

## **Conjoined Agreement**

There is an unambiguous commitment to deliver the Future Framework and the Withdrawal Agreement together. This is to be welcomed. It has to be delivered. No end deal means no interim money.

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<sup>17</sup> [http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/research\\_interests\\_with\\_covers\\_10.pdf](http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/research_interests_with_covers_10.pdf)

## Flexibility

The White Paper hints at a shift towards an old-style multi-pillar way of looking at the new arrangements (Section 4.2).

This does of itself though acknowledge that in some areas, Parliamentary powers will be variously circumscribed, being reduced in matters of trade and internal security.

Clarification on which sectors will fall where on the new treaty podium will help establish which areas will be concreted in, and which may be easier to modify in the future (these things being relative).

However, the wording of the flexibility arrangements (p.85) should be noted as it already anticipates the prospect of additional bolt-ons. Longstanding opponents of ever-closer union might care to reflect on safeguard mechanisms here – the reference to termination clauses is significant in this respect.

## New Forms of Dialogue

This anticipates the horrors of new civil society pseudo-outreach, and more EU-funded lobby groups. Rather than ‘Brussels talking to Brussels’, handled badly this will be ‘Brussels talking to London’, again undertaken by proxy.

## Assets and Liabilities

This ought to have been at least mentioned. They are considerable, but not even hinted at in passing as an issue (or lever) in the Galileo section.

## No Deal

Preparation for a ***Strongly Mitigated No Deal*** needs to accelerate. The default needs to be actionable, on signal given.

