

The
**Red
Cell**

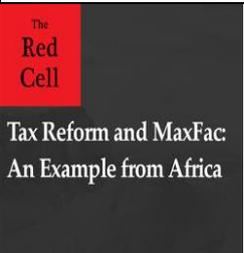
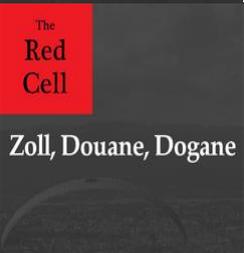
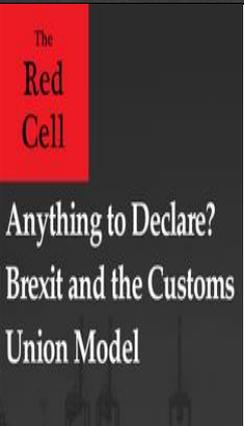
The Red Cell Index

Papers to May 2018

www.theredcell.co.uk

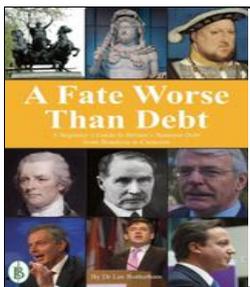
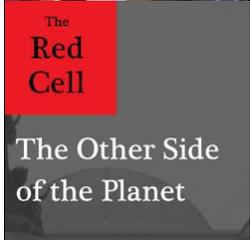
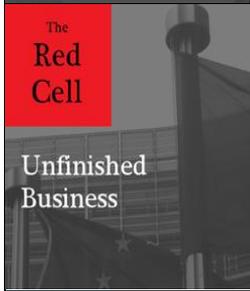
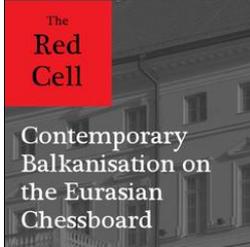
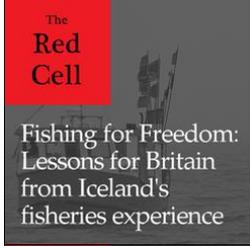
THE RED CELL

www.theredcell.co.uk

<i>Paper</i>	<i>Snapshot</i>
 <p>Ireland's Experience of EU Membership</p>	<ul style="list-style-type: none"> ▪ This paper has been produced by Irish Eurosceptics. ▪ It constitutes a review of the RoI's strategic interests in the context of Brexit. ▪ It finds that these have changed considerably from those that originally drove the country towards accession. It is EU membership itself that now constitutes an economic, constitutional and strategic cost. ▪ Unfortunately, Irish membership has long been part of a locked narrative. ▪ Dublin's policy over the 'soft border' is a bad move from the Nationalist perspective. It risks a 'hard' one. ▪ A fair and honest cost-benefit review of Irish membership would reveal that Ireland, too, should safeguard its vital national interests and leave the EU.
 <p>HANSA Exports and Imports Modern lessons from Historical Drivers of Trade</p>	<ul style="list-style-type: none"> ▪ A Hansa Projekt/ECR paper. ▪ Historical review shows that it is the default of Europeans to trade with one another. ▪ It is the historical default of big government to get in the way. ▪ The EU fits into a context of Roman and Carolingian thresholds and limits. ▪ Trade routes linked imperial border communities rather than crossed it. ▪ EFTA fits into a tradition that is more Hanseatic or Norse, with a more 'global' network outlook, and less bureaucratic and governmental baggage.
 <p>The Red Cell Tax Reform and MaxFac: An Example from Africa</p>	<ul style="list-style-type: none"> ▪ This paper has been written by a former government tax official, who overhauled Burundi's revenue service. ▪ Flat and simpler taxes are ethical. ▪ MaxFac mechanisms hugely assist in reducing border delays. ▪ The Irish border issue can be resolved without physical infrastructure if both sides show political goodwill. ▪ The UK should aim for an FTA with the EU.
 <p>The Red Cell Zoll, Douane, Dogane</p>	<ul style="list-style-type: none"> ▪ This paper has been written by a former senior Swiss Customs official and a former UK diplomat. ▪ The Swiss-EU border actually works well. ▪ Swiss businesses including those with supply chains can cope perfectly well. ▪ Checks can be done away from the border. ▪ Its management is being modernised on a rolling basis as technology advances.
 <p>The Red Cell Anything to Declare? Brexit and the Customs Union Model</p>	<ul style="list-style-type: none"> ▪ A Customs Union (CU) is an imperfect solution for the UK post-Brexit. ▪ All but one of the existing EU CUs are with territories smaller than parliamentary constituencies. ▪ The exception is Turkey, whose arrangements would not solve the key Brexit border issues, and is only accepted thanks to an EU bung. ▪ The Commission itself considers the Turkish model both transitional and out of date given advances in Free Trade deals. ▪ No model provides any meaningful safeguard mechanism for representing the interests of the second state; most do not even include a notional one. ▪ Fulfilling the referendum pledge requires a developed UK-EU FTA. ▪ Industrialists pushing for a partial customs union are throwing away a strong negotiating card, while pushing colleagues under a bus.

<p>The Red Cell</p> <p>Uncustomary Zeal: The Referendum Pledge to Avoid a Customs Union</p>	<ul style="list-style-type: none"> ▪ The Vote Leave website constituted the nearest there was to a 'Brexit manifesto'. ▪ That website provided a clear commitment to "taking back control" over trade negotiations. ▪ That unequivocally rules out the UK being in a Customs union with the EU.
 <p>The Museum of Brexit</p>	<ul style="list-style-type: none"> ▪ The Red Cell been at the forefront in setting in motion a plan to preserve material for a future Museum of Sovereignty. ▪ The objective is to generate a resource with four end pillars - an archive; a library; a museum; and an outreach centre. ▪ It will be a slow process, but work now begins. ▪ More details on how to contribute here: https://www.museumofbrexit.uk/
<p>The Red Cell</p> <p>Desert Island Risks: Will Liberal Democrat policy on Brexit leave them high and dry?</p>	<ul style="list-style-type: none"> ▪ A former Lib Dem MP is the author. ▪ Lib Dems should be naturally averse to the EU's structures and systems. ▪ It has been a mistake to cling undemocratically to the Remain argument after the referendum was lost. Especially given past policy. ▪ Brexit provides a great opportunity for liberals, but the agenda needs to be set now. ▪ Failure to adapt will make the Lib Dems as irrelevant in the future as UKIP.
<p>The Red Cell</p> <p>Ex Cathedra: A Review of the Key Ministerial Policy Speeches on Brexit</p>	<ul style="list-style-type: none"> ▪ This paper reviews the ten key Brexit policy speeches made by senior Government ministers. ▪ Commitments are broken down into 32 themes, and grouped. ▪ HMG expressly rules out membership of a customs union or the Single Market ▪ The objective is a highly developed FTA that goes beyond 'Canada terms'. ▪ A 'Customs Partnership' would remove the need for red tape, by administrative cooperation. ▪ This would be predicated by both sides being committed to good conduct and high standards even where the laws themselves differ.
<p>The Red Cell</p> <p>Brexit's Dreary Steeples: Ulster and the EU Precedent for Bending the Rules</p>	<ul style="list-style-type: none"> ▪ The EU has set precedent in bending the rules in the past over its trade/border arrangements. ▪ The examples of East Germany, Algeria, and Cyprus are considered. ▪ They collectively demonstrate that the European Commission can develop an asymmetric model for the Northern Ireland border, over long periods of time. ▪ If it does not over Ulster, it is by unfriendly choice.
<p>The Red Cell</p> <p>For the Avoidance of Doubt: A Suggested Belated Mission Statement for Brexit Negotiators</p>	<ul style="list-style-type: none"> ▪ This briefing note recommends a draft 'mission statement' for what HMG's exact end state objective should be.

<p>The Red Cell</p> <p>Oranges and Lemons: Lessons for Brexit from Six Fruits</p>	<ul style="list-style-type: none"> ▪ Six different fruits provide case studies for what Brexit can mean for tariffs and ultimately for consumer costs. ▪ We pragmatically recognise that there is a lack of political will to unilaterally end all import tariffs. But it could be deployed transitionally. ▪ Additionally, bilaterally pushing for comprehensive zero-rating of duties in new FTAs with non-EU suppliers generates specific wins. ▪ They will also encourage powerful lobbies in the EU to push for their own more comprehensive UK deal. ▪ Competing UK producers should, in fairness, be allowed time to adjust. This needs to be associated with a public debate. ▪ No gains can be achieved without leaving the EU Customs Union.
<p>The Red Cell</p> <p>Brexit's Red Tape Challenge</p>	<ul style="list-style-type: none"> ▪ Brexit creates real opportunities to remove red tape generated by the EU, or separately generated by Whitehall. Examples are given. ▪ Big wins can come from a small number of issues that sectors already know about. Some will need manifesto commitments. ▪ Major Whitehall audits need to be rerun honestly, with all that was "out of scope" re-added. ▪ Parliament needs be central to the process of review, and have better linkage to international standards setters. ▪ Whitehall needs to be retrained. ▪ Ten 'Tapeworm Tests' are suggested.
<p>The Red Cell</p> <p>The EEA is not the Way</p>	<ul style="list-style-type: none"> ▪ The EEA model is flawed. Anything mimicking it carries risks. ▪ An Icelander reviews the way the EEA has hampered his country's trade with the USA. ▪ It doesn't allow the leeway on limiting free movement that UK supporters think it does. ▪ Some of the hidden costs of EEA membership have been little appreciated in the UK debate. ▪ If ordinary people in the EEA prefer an FTA to the EEA, the UK should take note.
<p>The Red Cell</p> <p>The Black Hole: The Impact of Brexit Upon the EU's Finances</p>	<ul style="list-style-type: none"> ▪ The report number crunches post-Brexit EU budget share for remaining members if the UK leaves (i) on WTO terms (ii) if an FTA happens. ▪ The Commission stands to lose €7 billion in tariffs if there is a UK FTA. This EU budget gap might help explain why some there are stalling over a Brexit deal. ▪ Ireland stands to get hit by an astonishing extra €1.5bn demand for the EU budget, simply applying the mechanisms that are already agreed ▪ The Germans, Irish, EU businessmen, and EU consumers in particular need to be aware of any self-interested stalling by the Commission or MEPs, as they will be badly hit.
<p>The Red Cell</p> <p>TaxPayers' Alliance</p> <p>Cutting EU Waste - The Taxpayer-Friendly Option for the EU's Post-Brexit Budget</p>	<ul style="list-style-type: none"> ▪ If the EU is looking to balance its books, the institutions can look closer to home. ▪ A list of budgets is provided. Examples cited include €15m on a furniture budget, drinks parties, grants to trades unions, staff clubs, and pay offs for quietly sacked staff. ▪ But there are much larger budgets of questionable practical worth that could generate major savings, if the political will exists

 <p>A Fate Worse Than Debt</p>	<ul style="list-style-type: none"> ▪ This book explores the UK's deficit and national debt in an historical context. ▪ It tackles a heavy subject in an accessible way. ▪ Modern politicians and members of the public neglect the cost of debt at their peril. ▪ A section covers EU finances.
 <p>The Red Cell</p> <p>The Other Side of the Planet</p>	<ul style="list-style-type: none"> ▪ The report is written by a former UK diplomat, and contains a number of insightful anecdotes on how trade deals were pursued. ▪ The UK doubled exports to South Korea in difficult times. ▪ UK trade diplomats need to catch up with competitors. ▪ The UK can do it again.
 <p>The Red Cell</p> <p>Unfinished Business</p>	<ul style="list-style-type: none"> ▪ This paper is based on actual whistleblower cases, and one in particular is explored in depth. The subject deserves bipartisan consideration. ▪ EU fraud is made more likely because no one feels ownership of the money, meaning there is no responsibility. ▪ EU institutions follow identical patterns in denying and suppressing fraud and mismanagement. ▪ This disincentivises the UK from contributing to common EU pots ▪ UK negotiators have a duty of care to past EU whistleblowers.
 <p>The Red Cell</p> <p>B + 1 Policy Priorities and Prep for Brexit</p>	<ul style="list-style-type: none"> ▪ The paper reminds us that Brexit creates opportunities rather than just administrative tasks. ▪ One involves changes to controversial VAT charges. ▪ Some legislation could be scrapped that is a medical risk. ▪ Dangerous criminals could be deported. ▪ The Security Services could be less hampered by red tape.
 <p>The Red Cell</p> <p>Contemporary Balkanisation on the Eurasian Chessboard</p>	<ul style="list-style-type: none"> ▪ The paper shows Brexit is not simply an issue for the Right. ▪ It is written by a former member of the Supreme Soviet (!) ▪ The UK is a pivotal state. ▪ The UK's actions – if boldly pursued – generate an alternative route for the continent of Europe to develop. ▪ Brexit breaks the EU Monopoly.
 <p>The Red Cell</p> <p>Fishing for Freedom: Lessons for Britain from Iceland's fisheries experience</p>	<ul style="list-style-type: none"> ▪ The paper reflects on the comparative success of the Icelandic fisheries, written by a native. ▪ Iceland has escaped the UK's CFP disaster. ▪ Different models exist for managing success: the key however is sovereign control. ▪ The UK EEZ is a rich prize and should not be underestimated.
 <p>The Red Cell</p> <p>The Tangled Web: EU Agencies After Brexit</p>	<ul style="list-style-type: none"> ▪ This paper reviews the Euroquangos, and assesses which ones where it is in the UK's interest to stay a member. ▪ There are 53 Euroquangos, costing €10.1 bn a year, with 15,000 staff. ▪ There are in each case 3 routes: Leave the Agency; Strategic Association; or Full Member ▪ The split it concludes is 43/8/2. Ie the UK should mostly just leave. ▪ The Canada/Europol example shows what kind of limited agreement format is needed for a Strategic Association.

<p>The Red Cell</p>  <p>The Brexit Risk Register</p>	<ul style="list-style-type: none"> ▪ This is a check list of all Brexit matters that need to be looked at during transition. ▪ It has been generated by a “De-accession” review, reverse-engineering 35 accession titles. ▪ It is intended for wide use in Whitehall, but not for the public domain/private sector. Limited distribution running at over 200 pages. ▪ 80% of the issues should be deliverable for a Heavily Mitigated No Deal. ▪ A core reference document for anyone now working on a Heavily Mitigated No Deal.
<p>The Red Cell</p>  <p>The Ljubljana Initiative: Reviewing the First Draft of a New EU Constitution</p>	<ul style="list-style-type: none"> ▪ A new draft EU Constitution draft has been endorsed by the Presidency of an EU state and is now being pushed. ▪ It is openly federal. ▪ Even if unsuccessful, it shifts the centre ground in the agenda significantly. ▪ This paper goes through the document line by line. ▪ The original text is separately displayed on the Red Cell website. ▪ Its existence alone shows the direction of EU travel, and demonstrates the UK was right to leave.
<p>The Red Cell</p>  <p>Behind Brexit: Talking Points for EU Diplomats</p>	<ul style="list-style-type: none"> ▪ A copy of this document was sent to all EU embassies in London. ▪ It shows Brexit is a logical and inevitable process given democratic deficits inherent within the EU system. ▪ It encourages diplomats to engage positively with the UK to make Brexit transition happen smoothly, and for mutual gain.
<p>The Red Cell</p>  <p>Research Interests: EU Funding and British Academia</p>	<ul style="list-style-type: none"> ▪ This report is particularly relevant given academia’s heavy pro-Remain bias, and nervousness around that fact. ▪ It audits all Social Sciences programmes receiving grants from the EU. ▪ It finds the UK could fund them just as well without the EU, while removing the risk of political bias inherent with EU grants. ▪ EU bias is an inevitable by-product. The scale varies. The Jean Monnet system is the most blatant abuse. ▪ Academia needs to recognise this guilty secret.
<p>The Red Cell</p>  <p>The EEA: A Warning from Norway</p>	<ul style="list-style-type: none"> ▪ This report is written by Norwegian anti-EU campaigners. ▪ It explores in considerable depth the problems associated with following the EEA route. ▪ The line that Norway is a “fax democracy” is a gross, deliberate mistruth. ▪ The real problem is that Oslo has actively pursued integration instead of using the brakes it does have. ▪ Less acknowledged is how EU case law does come in through the back door. ▪ The EEA is much better than the EU; but not being in the EEA (but being in EFTA) is again much better than being in.
 <p>Why Brexit should be accompanied by Irexit (Ireland Exit)</p>	<ul style="list-style-type: none"> ▪ This paper has been produced by senior Irish Eurosceptics. ▪ The RoI should leave the EU, and sign a UK-RoI FTA. ▪ The days of budget receipts are gone, so there is no financial incentive. ▪ Ireland’s key export markets are in the English-speaking world, ie now outside of the EU. FDI is similarly slanted. ▪ Brexit without Irexit generates border issues. ▪ Ireland should also leave the Eurozone. ▪ EU membership is an increasing threat to Irish neutrality.

<p>The Red Cell</p> <p>42</p> <p>RESEARCH PAPER</p>	<ul style="list-style-type: none"> ▪ This paper reviews all the different types of trading arrangement the EU has reached in the past. ▪ Based on official terminology, there are 42 (unofficially, nearer 50) types. ▪ Many of the vaunted “free trade deals” the EU has aren’t FTAs at all. This makes them (i) less valuable (ii) more likely to be carried across easily after Brexit. ▪ A “Goldilocks Zone” exists for a small range of models that would suit UK interests. Other zones would suit other countries’ needs.
<p>The Red Cell</p> <p>The National Interest</p> <p>RESEARCH PAPER</p>	<ul style="list-style-type: none"> ▪ Euroscepticism 101: some countries do well out of the EU, others don’t. ▪ To work it out, the paper suggests an actual formula for basic re-assessment. ▪ The five fractions cover: the financial; sovereignty; the strategic destination; peace and stability; and the alternative. ▪ The model is tested by comparing Luxembourg and Norway. ▪ The UK is a definite EU loser, more than any other EU member. ▪ This ties in with the paper “42”, generating a Freedom Curve. It peaks - the closer states then integrate, the less advantage is gained from each shift; and at a tipping point some states actually start to lose out.
<p>The Red Cell</p> <p>Life of Laws</p> <p>RESEARCH PAPER</p>	<ul style="list-style-type: none"> ▪ This paper looks at how international trading standards are actually made. ▪ Contrary to popular belief, the EU is often merely an intermediary. ▪ Many standards are reached at a global or wider regional level. ▪ Brexit means the UK regaining full input – and veto – at source, rather than at EU transposition. ▪ EU transposition is where much unnecessary red tape is added that goes beyond minimum international trade obligations. ▪ A case study is followed, looking at how a law on car windscreen glass was actually made (spoiler: not by the EU, which just wanted to gold plate).
<p>The Red Cell</p> <p>New World Order</p> <p>RESEARCH PAPER</p>	<ul style="list-style-type: none"> ▪ Euroscepticism 101: this paper compares the EU model nationally, subnationally and supranationally with another continent. ▪ The case of the North American “Sovereign” First Nations shows that the idea of the “pooling” of sovereignty is a fiction. “Dependent Sovereignty” is a fairer description of the current situation in the EU. ▪ The EU is not the only model for regional trade blocs. In sum though, in the Americas the trade model is the Reciprocity Treaty of 1854; in Europe, it is the Austro-Hungarian state. ▪ Global differences in the development of UN structures mean that trade bloc administrations in the Americas fill a gap, while in Europe the European Commission duplicates a role. ▪ In short, for what it is setting out to structurally achieve, the EU is on the wrong continent.

<p>VETERANS</p> <p>— for —</p> <p>BRITAIN</p> <p>~2%: The Threshold Margins of Effective Defence</p> 	<ul style="list-style-type: none"> ▪ The UK needs to honestly fulfil the 2% Defence commitment. ▪ The 2% target was effectively pulled out of a hat and is not credible. ▪ The long term aim by the end of the next Parliament should be 3% Defence share of GDP. ▪ Extra spending should be transitioned. It needs to be much better managed, so as to reduce the risk of waste (for example, through major procurement bid reform). ▪ The extra funding should accompany strategic revisions of national and global security priorities in the wake of Brexit.
--	---



- This paper collates the various defence proposals that have come out of the various EU institutions, and identifies what was signed off (as at early 2017).
- These proposals carry a risk of EU divergence from the NATO alliance.
- A number of specific financial, administrative, institutional, asset, and policy risks are listed.
- Any idea of associating the UK with the new Single Market in Defence (procurement) need to be dropped. It is directly captured in the deeper policy of continental defence integration, and generates a range of medium-long term risks.



- Brexit means the UK has the opportunity to regain control of its EEZ, and in particular its rich fishing waters.
- This assumes the UK does not, short-sightedly, barter this away (again).
- The default under international law favours the UK (though there are some complications over defining certain traditional access rights).
- This win is timely, as a review of the EU's (extraordinarily ambitious) Common Maritime Policy demonstrates.
- The UK will need to police these waters, especially during transition. The time to prep these assets is now (this included the MoD halting the scrapping of three fisheries vessels: this subsequently happened).

