

NEGOTIATING BREXIT WITH THE EUROPEAN UNION

by

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Background to the Negotiations: British fears

We should approach the next stage of negotiations with the EU like Korea and Canada did, i.e. as a sovereign country, not open to threats from the EU if we don't accept their proposals. The EU is bound by WTO rules just like we will be, as it found to its cost when Norway brought it before a WTO arbitration committee in 2006 over salmon quotas. Unfortunately, up to now the conduct of the British negotiating team has varied between the placatory and the apologetic, even supplicatory at times, driven by its overwhelming fear of not getting a trade agreement. But most of the fears are groundless (see below 1.1).

Barnier, Tusk and co. know this very well, and have exploited this fear all along. This has led to the leaked document threatening Britain with, inter alia, withdrawing landing rights for British registered airlines in what they call the European Airspace, sudden imposition of tariffs in the transition period, and various forms of fines, if the EU should decide we have not carried out our undertakings¹.

These are the types of conditions imposed on an enemy after a major defeat in the field. They are so insulting that Mrs May should have demanded a complete retraction, which if not forthcoming should have been followed by a demand to the EU Council in March that Michel Barnier be replaced. Whether formally withdrawn or not, the document is revealing of the EC's deep-down disdain for Britain. We need much more straight-backed pride and a lot less talk of how much we want to be friends.

¹ As of 15th February, Barnier appears to have retracted the document under pressure from some of the EU member states, but the EC's March 1st draft agreement more or less reiterates these threats.

French Fears

The European Commission, especially its dominant French element, has fears too. It has to be remembered that the EU/EC/EEC project is a French project, conceived by Jean Monnet back in 1943, while France was under German occupation, for the projection of French influence in the world after the war, when Monnet foresaw that its own power in relation to the English-speaking world's, especially the USA's, would be greatly diminished. Nothing in France's governmental outlook has changed since Monnet's "Action for a United Europe" seventy-five years ago.

British withdrawal is therefore seen, not just as a matter of new trading arrangements, but as a threat to France's main projection of itself. There is a French fear deep-down that if Britain were to retain post-Brexit what it has now, namely tariff-free trade in goods and passporting rights for banks, it would make the EU look like just a trade bloc in the eyes of the rest of the world.

The German View

Besides French national interests, keeping Germany on board the French-German partnership is absolutely the most important consideration in French official minds. Unusually, to the UK's great disadvantage, the vital importance of the Franco-German partnership is a view also shared by Angela Merkel, the German Chancellor since 2005. Following the fall of the Berlin wall, the ensuing free movement of German people across the East-West Germany border, has conditioned Merkel's attitude to "free movement" of EU "citizens" across internal borders of the EU as an inviolable part of the EU's existence. This and the Single Market are seen as its most visible achievements².

Overall impression of the EU and British negotiating teams

The French dominated EU team, including its leader Michel Barnier, are absolutely typical of German and French officials, whether in business or in politics (there is very little difference). Many of the French will be so-called "énarques", former students at the École National

² The original EEC treaty quoted free movement of "labour". It was the Single Market of 1986 and the Maastricht Treaty of 1993 which substituted "people" for "labour", meaning that it applied to *any EU citizen*, not just those moving for a job.

d'Administration (as is the current French President, Emmanuel Macron) which has much the same sort of prestige in French politics and business as Sandhurst has in the British Army. Their German colleagues will likely as not be graduates in the sciences or engineering. Mrs Merkel herself has a PhD in quantum chemistry, a field where clarity and precision are sine qua non. Énarques, like their German colleagues are absolutely committed to their own national interests: are extremely well-prepared for any serious discussion, rarely lose sight of their objectives, and are very precise in their use of language, a feature shared with most EC officials of all nationalities. They are also smartly turned out, as are all employees of the EC down to quite low levels.

The contrast with the British, at least up to now, could hardly be greater. For the most part, with constant vague references to wanting “a deep partnership in the future” the British have, with few exceptions, made a poor impression on the EU team and the Continental press. This type of vacuous remark goes down like a lead balloon and is as frustrating to Mrs Merkel and the EC negotiators as it has been to the British people³.

BRITAIN'S BASIC OBJECTIVES⁴

1. *The first basic objective* for our negotiators should be no change in the physical arrangements attaching to the flows of goods and the conditions attaching to financial services between the UK and the EU. We want tariffs to remain at zero on goods circulating between the EU and the UK. This arrangement would constitute the main feature of what may be termed the European Trade Partnership (ETP).
 - a. Given the fact that EU countries taken together constitute Britain's biggest goods market by far, and that taken individually EU countries are four out of our six biggest markets, everything else – European arrest warrants, science, even security collaboration, etc. are of secondary importance, even red herrings, at this stage of affairs.

³ Mrs May's Mansion House speech on March 2nd has gone some way to correcting the vagueness.

⁴ These are spelt out on pages 223-4 in “Britain's Referendum Decision and its Effects” by Stephen Bush, 266 pages, published by Technomica on 9th May 2016, available to purchase on Amazon or download on <http://britain-watch.co.uk>. Figure, table and page numbers refer to this book if preceded by BRD.

2. *The second basic UK objective* must be to agree on the length of taper over which the UK's payments to the EU budget should be phased out. A three-year taper could be offered at the outset, recognising that most if not all EU contracts to suppliers under the Growth and Social Funds will end naturally in 2-3 years' time. A relatively small on-going payment of say 50% of EU tariffs not paid by the UK (about £1.7 billion per annum), could be offered to cover the costs of actually running the ETP (see BRD page 201).
 - a. These payments should constitute essentially the exit payment apparently promised to the EU in negotiations of May to December 2017. They will amount to a few billion euros at most. The EU demand for €50 billion is plainly ridiculous and should have been dismissed as such at the beginning in June 2017.
3. *The third basic British objective* must be to insist that control of EU immigration begins immediately on March 30th 2019 and that the proposed registration of EU nationals begins with those who arrived on or after this date. Control of EU immigration should be on a similar basis to, certainly not better than, immigration from the Crown Commonwealth, with work permits being required under the existing Home Office Tier 1 and Tier 2 rules (see BRD page 81).

UK Fishing Rights post-Brexit are non-negotiable

The Times of 10th February 2017 published an extract from a Government paper about negotiating priorities which revealed what can only be described as a supplicant approach to our fishing position post-Brexit.

After leaving the EU, Britain as a sovereign power and signatory of the three UN Conventions of the Law of the Sea, 1956-1994 (UNCLOS) will *automatically* take over sole responsibility for all commercial rights, including fishing access and control of stocks, in its own Exclusive Economic Zone (EEZ) of the Continental Shelf (the North Sea and English Channel principally). In this matter, there is nothing whatever to negotiate about⁵.

⁵ Stephen Bush: letter in the Times, 11th February, 2017.

There *is* the matter of historic fishing by foreign countries such as Spain (since 1995 in their case), but we are not supplicants. While there may well be some horse-trading over fish stock management, the conditions to be applied to the continuation of foreign fishing in its EEZ are for Britain to decide, just as the EU and Norway will continue to do in theirs.

Britain needs not only to expand its catches in its own EEZ, it needs to rebuild the whole fishing industry from catching fish and managing its stocks, expanding fish processing and re-establishing trawler building to equip its new fishing fleet (see Paper 7: “Produce and Prosper”). This will be the major factor in rebuilding skills and prosperity in our coastal towns from Plymouth to Peterhead. Our negotiators must not be allowed to trade away our fishing rights all over again⁶.

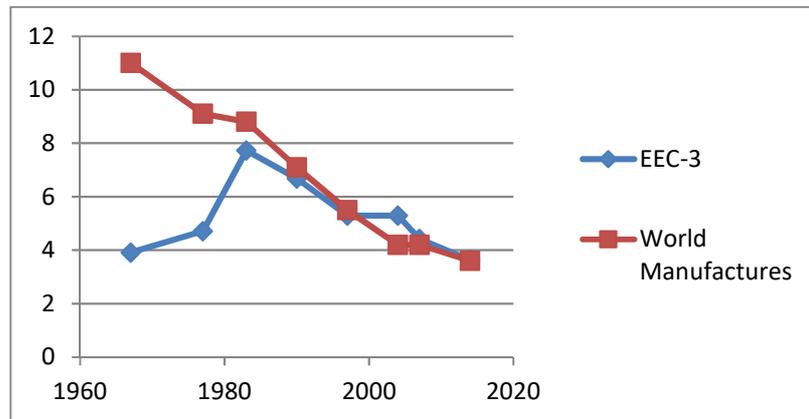
NOTES ON THE THREE BASIC OBJECTIVES

1.1 Costs and Benefits of UK Special Access to the Single Market²

- The only fool-proof way of judging the advantage of the UK’s special access is by looking at the market shares achieved by British goods over a period of time before and after joining the EU Single Market and comparing their performance in world markets for which there has not been special access, as shown Figure 1 below. This comparison is free of all the confusions from inflation and currency changes.
- Between 1967 (just after devaluation of the £ against the \$ and DM), six years before Britain joined the EEC countries, and 2014, (41 years after Britain joined), our goods exports as a percentage share of the three principal markets combined – Germany, France, Italy (the EEC-3) are shown below. Also shown is the UK share of the world market in manufactured goods.

⁶ The “Exclusive Economic Zones” belong to the Nation States who are signatories of the 1994 UNCLOSS III treaty. They cannot be devolved to bits of a Nation State. Individual provinces of Canada tried this in respect of offshore oil and were rebuffed by UNCLOSS. Now we see (26th February 2018) the British Government foolishly trying to appease the Scot Nats by proposing a similar arrangement for Scottish fishing. EEZ is about *all* offshore resources including mining rights as well as fishing.

**Figure 1: Britain's Manufactured Goods Export %:
Shares of the Principal EU Markets & of the World Market 1967-2014**



- The graph shows that the average British goods market share since about 1990 of the three big EU economies: Germany, France, Italy, has been basically the same as its share of the whole world and virtually the same as it was in 1967. It is clearly a myth that there is anything “special” for Britain about the Single Market.
- So after all the anguish of EEC/EC/EU membership, the sacrifice of 90% of our fishing industry, the imposition of 20,000 regulations, the payment now of a 7.7% effective tariff on our goods⁷, while the rest of the world pays an average of 4.3%, the net effect on our EU goods market share has been in the long term (45 years) basically nothing.

Repeated incantation of the phrase “Single Market” has blinded commentators, corporate businessmen and many politicians, even some who are in favour of Brexit, to the cold fact as the above figures incontrovertibly show, that the UK’s so called special “access” to the EU “Single Market” is nothing special at all.

1.2 Danger of over-paying for access to the “Single Market”.

All countries in the world have access to the EU markets, China and the USA included. But we are in grave danger of paying a huge price in cash and regulatory control in the negotiations for a chimaera of little or no trading advantage to us. It is perfectly true, of course, that if the EU were to impose tariffs on Britain after March 29th 2019⁴, this would undoubtedly cause

⁷ See Stephen Bush letter published in The Times of 24th January 2016 and BRD page 50.

considerable trouble to both the EU's and the UK's trade in the short-term. *But would they dare?* With EU manufactured goods tariffs averaging about 3% with non-EU countries, the trouble would lie in new customs formalities rather than in the prices of goods in foreign markets, with the outstanding exception among manufactured goods of EU imports of cars at a 9.9% tariff rate. Germany alone has a UK trading balance of £30 billion in its favour, which it will not want to risk.

With all this, it must be emphasised that the 27 countries of the EU *together* constitute our biggest market for goods by far. Taken individually, EU countries are numbers 2, 3, 4 and 6 of our biggest markets and we must strive to expand our shares of them.

Prime Minister May's remark in her Mansion House speech on March 2nd 2018 that "our access to each other's markets will be less than it is now" if it refers to exports is absurdly defeatist. It just simply adopts the Treasury's and other economists' view without explaining why this should be so.

As shown below (section 1.3 Figure 2) the USA has increased its exports to the EU by 40% in constant dollars between the inception of the "Single Market" in 1992 and 2014 without any "special" access, or making any EU budget contributions, but paying the EU tariffs. UK exports by contrast over the same period show only a miniscule gain of about 3% in constant dollar terms and in 2014 were slightly less than the USA's. The reason: US prices, delivery, quality, the three key factors which find no place in the Treasury's model.

1.3 Handling of non-EU imports into the UK

For tariff-free trading in given classes of goods to be achieved in the ETP, it must be accepted by the British side that either

(a) such goods must be subject to rules of origin tests,

or

(b) a common tariff must be applied to such goods entering the ETP (i.e. the UK and the EU) from outside.

No country in a Free Trade Area (FTA) can possibly accept that goods from outside the FTA may be allowed in by one member at a lower tariff or subject to lower standards, than applied by the other members of the FTA.

This very point is at the heart of the Trump administration's objection to NAFTA, where it is strongly suspected that Chinese imports are entering Mexico at very low or zero tariffs to reappear in the USA as of tariff-free Mexican origin.

My view has for some time been that as a matter of pure customs practicability *at the outset of the 21 month transition/implementation period*, the UK should align itself with the EU's common external tariff (CET) which averages less than 4% on the goods the UK imports from non-EU countries and where in 29% of cases by value, the CET is actually zero. This is the basis of the EU-Turkey free trade agreement, which was set up in 1996 and has worked smoothly ever since.

Over the 21 months the UK should agree rules of origin with the EU for particular classes of goods where we may wish to apply tariffs below the CET after December 31st 2020, e.g. some agricultural or textile products. This is how Switzerland has obtained tariff-free admission to the EU under what is its own ETP (see below Rules of Origin).

1.4 How have non-EU countries performed in the EU Single Market⁸?

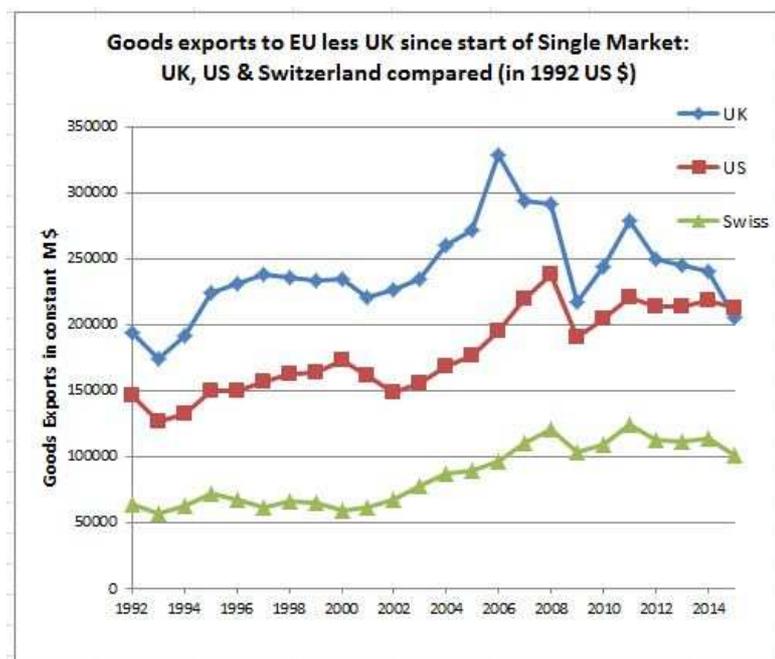
The USA pays the EU common external tariff (Chapter 3.2); Switzerland does not, under an arrangement dating back to 1972. This is the year the UK left the European Free Trade Association (EFTA) and joined the then EEC. Switzerland stayed with EFTA; the USA has never been a member of either organisation.

Figure 2 is the key comparison to answer the question. It plots UK, US, Swiss sales to the EU (minus the UK) in constant 1992 dollars ("real" terms). For each year 1992-2014 sales of Swiss franc and UK £ goods are turned into \$ sales at the \$: £ and \$: Swiss franc exchange rates for that year. They are then converted to 1992 dollars, as is also done of course for sales of US goods.

⁸ This has also been studied for 6 other non-EU OECD countries by Michael Burrage for Civitas in "Myth and Paradox of the Single Market" 2016.

This way we can make a comparison of actual sales of goods, shorn of the complicating effects of year to year, country to country, currency variations and inflations. On this basis UK “real terms” exports to the EU have not changed over 22 years of the “Single Market”, while both US and Swiss exports to the EU have made gains of 50% and 42% respectively. The USA made no payments to the EU budget, but paid the CET (the common external tariffs). Its sales increase has been due to having goods of the requisite quality, range, competitive prices and prompt delivery. Unlike for the UK, the Single Market and Single Currency were and are godsend for the US: standards published in English, no multiplicity of currencies and prices. Where they were fearful of these before 1992, they are now enthusiastic “single” marketeers.

Figure 2⁹



1.5 Future UK-EU and UK-bilateral Trade Agreements

Given the size of the UK-US, UK-EU and EU-US trade flows¹⁰, the possible EU-USA agreement (TTIP), and the commitment of the three parties to freeing up trade¹¹, it is likely that the tariff-free trade principle could be agreed to at the outset of the negotiations in an afternoon,

⁹ See BRD Figure 3.2. Data supplied by J H Bush.

¹⁰ Imports plus Exports: UK-US: £206 bn; UK-EU: £495 bn; EU-US: £403 bn (goods only).

¹¹ The EU Trade Commissioner, Karl de Gucht, inveighed recently (2nd Sept. 2013) against Brazil, India and Russia raising tariffs.

subject to detailed negotiations round particular points¹², especially Rules of Origin (below). Since the UK has no plan to abandon the Value-Added Tax system, there would then be no change to the basic customs declaration forms.

Just as each EU-bilateral agreement (e.g. Korea-EU) has provision for complaints by the parties to be adjudicated, so each UK-bilateral trading agreement will have to provide the same, as clearly the EU trade offices will no longer apply to the UK agreements with third parties. A separate ETP dispute resolution agreement, possibly under the WTO, will also be needed (see BRD page 60).

1.6 Rules of Origin: The EU-Swiss system

As the UK will operate its own customs system, the system of “rules of origin”, currently managed entirely by the EU on our behalf, will be of prime importance to all parties after Brexit. Even though tariffs outside the EU and EFTA have been substantially lowered by the successive Kennedy and Uruguay rounds, they are still above 10-15% on agriculture and some textile products for non-EU, non-EFTA goods. One way forward for the UK negotiators is to employ the Swiss-EU criteria on origins of goods. These are aimed at ensuring that imports into one partner from a third party cannot be traded on to a second partner at a lower tariff than would apply if imported directly to the second partner. This has particular significance for US-UK trade. Where a product has more than one country of origin, the Swiss-EU 1972 agreement provides a minimum Swiss plus EU content (typically 65%) to be allowed into the EU on a zero tariff basis. However, determining this is likely to be a long-drawn-out process, in its entirety, simply because of the sheer number of products nowadays: the EU has 9,000 separate product lines to which tariffs are applied and any new classifications have to be notified to the World Trade Organisation (WTO).

1.7 A Common UK-EU external tariff: as alternative to Rules of Origin

An alternative to negotiating rules of origin covering 9,000 products is for the UK’s customs system to operate the same external tariffs for non-UK non-EU imports, starting with the current values of the EU external tariffs. That would establish a common UK-EU external tariff (CET)

¹² The EU has long had a tariff-free goods trade agreement with EFTA which under this blueprint the UK should seek to rejoin (see below).

plus continuing tariff-free trade in the UK-EU itself, and would be communicated to the WTO as a sovereign UK decision.

Desirable exceptions to the CET can be easily identified and negotiated, particularly where only one party has a significant interest in the imports concerned. Changes to the CET and any disputes could be discussed via the mooted UK-EU Council for the ETP (BRD Chapter 10.5).

Some free trade purists greatly overestimate both the value and the ease of moving immediately to a zero tariff system for both UK-EU and UK-non-EU trade. Tariffs on industrial goods into the UK are now very low (around 3%) with the one outstanding exception of cars (9.9%). Even if *all* UK tariffs were reduced to zero, all UK exports to the EU would then be subject to the EU CET. Deciding the appropriate level of CET for potentially 9,000 product lines would be a huge, time-consuming process. All tariff decisions are appealable in the EU system.

1.8 A Common Economic Zone (CEZ): the most practical way forward

CEZ = FTA plus CET

For a fixed term beyond 29th March 2019, say 5 years to 2025 in the first instance, a simple continuation of the current tariff-free trade between the UK and the EU-27 plus a common external tariff zone based on the existing EU external tariffs could be agreed in an afternoon, avoiding lengthy trade uncertainty and much potential paperwork for business at a stroke, all for the price of some loss of freedom in lowering UK external tariffs on some goods for a defined period post 2020. In essence a common economic zone (CEZ) would operate for the UK in place of the Single Market and Customs Union. This should help disperse parliamentary opposition to a “hard” Brexit.

Since at the concluding session of the WTO Doha¹³ Round in 2012 the EU publicly committed itself to advancing free trade by tariff reductions and is also committed to developing “special relationships with neighbouring countries” (Article 1-57 of the Lisbon Treaty), we should expect the principle of a UK-EU zero tariff FTA to be agreed at the outset of negotiations, while the UK can retain the right to deviate from the CET on a product-by-product basis after 2020, using

¹³ Karl de Gucht, EU trade commissioner, at the conclusion of the last session of the Doha round of tariff negotiations declared, “The EU is committed (sic) to lowering tariffs between it and its trading partners”.

Rules of Origin criteria to establish the EU tariff, were such products to be subsequently exported to the EU.

1.9 UK-EU Common External Tariff no real barrier to other trade agreements: case of Turkey

The basic reason for UK withdrawal from the existing EU customs union is that it will enable Britain to make its own trade agreements once again, particularly with the individual countries grouped in Technomica Paper 7, Table 2, under the headings AICANZ¹⁴, BRIC and GHSS plus some important Spanish-speaking countries in Latin America, such as Mexico.

This is a very important freedom. The EU has been extremely slow to conclude FTAs (only one in operation up to 2013) compared with 19 concluded by EFTA. New Zealand concluded a trade agreement with China in 2012. It's good common sense that agreements between two independent countries are easier to make than between one and twenty-eight.

While for the time being, the common external tariff (CET) based on the current EU external tariff as proposed above, would have to be respected in any UK Trading Agreements with third parties, they would still give Britain and its non-EU trade partners scope for tuning their exports to each other's economies, reducing non-tariff barriers, including Intellectual Property obstacles and adopting standard testing facilities in each other's markets. In any event, 29% of the common external tariffs are zero and non-agricultural tariffs average around 3.5%. The UK-EU CEZ would put Britain in the same relationship with the EU as Turkey had been in since 1996. Turkey has made numerous trade agreements with other countries, including the EFTA bloc.

2 FINANCE: Three Year Taper down of UK's payments to EU's budget

2.1 Future of Farming Subsidies: emphasis on producing food

Under Brexit our negotiators should aim for individual farmers to continue to receive farming subsidy payments from the EU over the proposed three year taper¹⁵. At the end of three years the Treasury will be paying all of the £3 billion subsidy out of the £18 billion savings not being

¹⁴ In BRDTable 3.1 the Republic of Ireland is grouped with the other Anglophone countries because of its common law and language which makes it much more familiar to British exporters than say Denmark.

¹⁵ Prime Minister Cameron (20th March 2016) has assured farmers that these payments would continue whatever the Referendum decision.

paid to Brussels. The Treasury should continue to pay the subsidy on present terms, for 3 years, during which time the form of the subsidy could be reshaped to suit the British farming industry as discussed with the emphasis to be on food *production*, not the environment, although the two are not necessarily in conflict .

2.2 Fisheries: Financial benefits from UK's Exclusive Economic Zone (EEZ)¹⁶

Since 1973 Britain's fish has been regarded as an EU resource and treated accordingly. As noted above, leaving the EU will allow Britain to re-establish its fishing as a major industry again. The Merchant Shipping Act 1988 will need to be reinstated immediately in law as part of a new British Fisheries Act to be deposited at the UN. This Act would reassert Britain's international right to fishing out to the 200 miles limit, or up to the boundary claims of other countries bordering the North Sea, as has been done for oil and mineral rights, and would be non-negotiable with the EU.

2.2.1 Sale of fishing licences to foreign fishermen to fund stock management measures

Britain could however offer the EU, whose North Sea and Irish Sea border states are the Republic of Ireland, France, Belgium, Holland and Germany, fishing licences broadly consistent with their current catches, and subject to UK-EU conservation measures, for a period of 3 years. After this all licences would be reviewed in the light of the prior claims of British-owned and crewed vessels. The custom of selling unused quotas to the highest bidder would cease. Unused quotas will be returned to a new British fisheries authority to be redistributed to British fishermen¹⁷ on a first refusal basis. Licences could be set to give a 4% return on landed catch value to fund fish stock management and make a start on rebuilding our trawler industry (see Technomica paper 7).

Spanish fishing presents a special case. Spain has no actual right to fish in British waters as defined internationally. One proposal is that three-year licences be offered to Spanish fishermen, after which time they should receive licences from the EU to fish in the French-Belgian-Irish-Dutch-German sections of the English Channel and the North and Irish Seas in accordance with their EU Common Fisheries Policy.

¹⁶ "Fishing for Leave" (<http://ffl.org.uk>) estimates that the added value through the supply chain from catch to retail is over £6 billion from the UK EEZ.

¹⁷ I.e. to individual British citizens or businesses with a majority of active British employees.

3 PRINCIPLES OF SYSTEM FOR CONTROLLING IMMIGRATION AND RESIDENCY

To control anything you have to be able to measure. British border controls have been denounced by successive Home Secretaries as “not fit for purpose”. The starting point is to appreciate the scale of the problem. Approximately 140 million people enter Britain each year (72 million through Heathrow Airport). This calls for a comprehensive back-up system to avoid breakdown¹⁸.

(1) Passport checks

People’s passport and visa numbers and dates of expiry of work permits must be recorded on entry and exit from the UK. This can be easily done now that machine readable passports are standard in the EU and ABCANZ. By a simple comparison of dates, the Border Agency will then be in a position to know who has overstayed their permission to be here and require them to leave the UK. As a completely lawful administrative action arising from an individual’s failure to carry out their legal obligation to the British State, this requirement would be beyond the courts’ power to prevent.

(2) Visas and Work Permits for EU nationals

The basic principle is that EU nationals, not already in work in the UK but applying to work in the UK in the future, must not be in a more advantageous position than citizens of the ACANZ countries, with non-UK ancestry. People with UK ancestry defined on www.ukba.homeoffice.gov.uk are known as patrials. People in this category, are allowed to come to Britain to work and reside for up to 5 years, with their families, if they can show they can support them without resort to public funds¹⁹.

For those EU nationals already working and residing legally in the UK on March 29th 2019, it is proposed that those who have lived and worked here for 5 years or more, would be able to apply for British residency (“indefinite leave to remain”) and freedom from a work permit requirement

¹⁸ Contrary to the impression given by the failure of the previous IT contractor, this is not a difficult, or expensive system to implement.

¹⁹ This applies also to Republic of Ireland citizens who have a grandparent born before March 31st 1922. There may be a need to revisit this arrangement to align it with UK patrials.

(in line with non-EU nationals). Those with less than 5 years would have to apply for a work permit with employer sponsorship²⁰ as non-British ancestry AICANZ citizens have to. Clearly there are a number of important details to deal with given the number involved (around 3.2 million EU nationals of which 2 million are from the A8²¹ countries).

(3) General Conditions for Entry and Residence

Given the potential for the spread of infectious diseases when millions are moving about the world, it makes sense to require evidence of freedom from such diseases just as, until recently, all travellers had to for smallpox. In essence travellers would have to carry a health passport, including a machine-readable certificate of adequate health insurance. Clearly this would require international agreement with the EU, USA, in principal all countries, perhaps through the UN World Health Organisation.

As the USA requires now, the relevant documentation for entering the UK would have to be checked by the transport companies at boarding in the departure country. Those companies who bring people to UK ports of entry, who are then subsequently found to have a known medical condition, including pregnancy, prosthesis replacement, or regular medication needs, without means of payment in the UK, should be heavily fined (as they are for bringing in illegal immigrants) and required to transport the individuals concerned back to their boarding point.

(4) Indefinite Leave to Remain

Those claiming admission to obtain “indefinite leave to remain” through marriage or another permitted category, should also have to fulfil the above medical conditions and speak, write and understand English at the time of entry.

(5) Entry for Study Purposes

According to the Higher Education Statistics Agency (HESA²²), in the 2012/13 year there were 70,000²³ EU and 110,000 non-EU overseas students on undergraduate courses at United

²⁰ This could include their own business if it had existed for two years and had verifiably sound accounts.

²¹ Poland, Hungary, Slovakia, Slovenia, Czech Republic, Lithuania, Latvia, Estonia.

²² Higher Education Statistics Agency.

²³ UK Council for International Student Affairs, 20th December 2013.

Kingdom Universities, out of 1.15 million full-time undergraduates – in all just over 16%. In addition there were 36,000 EU and 140,000 non-EU overseas students engaged on post-graduate courses (taught and research) making around 63% of the total UK full-time post-grad population. The total number of overseas students increased by about 10% over the period 2013-17.

How many of the EU students will continue to come when they have to pay the full overseas student rate is difficult to say, given the availability of English language university courses in the Netherlands for about £2,000²⁴. The chances are that the numbers (46,000) from Greece, Cyprus, Poland, Spain, Romania and Bulgaria will drop by about three quarters and the other EU students (60,000) by about half²⁵.

The Universities will attempt to make up their numbers by recruiting more non-EU students and so will be keen to see UK border controls as friendly as possible: perhaps 0.5 million students will be subject to UK border controls per year. It is vital for our immigration policy that the Government does not give way to pressure from the EU and the universities to let EU students continue to pay Home Fee rates with access to the UK loan scheme.

This number can be distinguished from the broader immigration count²⁶ if, and only if, the Universities help the Border Agency to ensure that their students leave the country at the end of their studies for which they obtained their visas²⁷. Otherwise an individual university could find that visa numbers allocated for its courses could be reduced.

(6) Seasonal Agricultural Workers' Scheme (SAWS)

Contrary to the frequently expressed fears that the immigration controls described above would cut off farmers from much needed temporary labour for fruit and vegetable planting and picking in the spring-summer period, the Seasonal Agricultural Workers' Scheme, established in 1952 and abolished on 31st December 2013, can be reinstated along the lines of the National Farmers' Union own 2012 proposal.

²⁴ By some Byzantine interpretation of EU rules, Scotland charges EU students nothing, while students from England, Wales and Northern Ireland pay full fees.

²⁵ The Treasury is in the process of trying to sell its student loan book, for about half its face value – just what the banks have had to do.

²⁶ Which current government policy wishes to be below 100,000 p.a.

²⁷ With exit recording in place at UK borders, the Border Agency will have an objective check.

From 1952 SAWS provided for a quota of 21,250 workers, on up to 6 months' contracts, to work on planting and harvesting crops where local labour supply was not sufficient. In the early years, people came mainly from Italy, Greece and Spain, but from 1973 for Italy, after Britain joined the EEC, and from 1986, when Greece and Spain joined, all these countries had free access to the British labour market and needed no quota. After the disintegration of the Soviet Bloc in 1990-91, they were replaced largely by (A8) East Europeans under the quota, until they too obtained EU membership in 2004. The last of the East European countries to join, Romania and Bulgaria, obtained free access to the UK labour market from January 1st 2014, so the scheme was abolished. However, their free access entitlement will disappear when Britain leaves the EU.

It would make good sense to re-instate the SAWS for temporary residence and work permits, since the scheme operated well over 60 years, without obvious abuse of its short-term residency feature.

(7) Immigration Controls between Britain and France

For Channel tunnel and ferry traffic, a number of protocols about immigration controls between Britain, France and Belgium have been in force since 1993. The 1993 Anglo-French Treaty of Le Touquet allows France and Britain to establish immigration controls in each other's national territory – British controls at Calais and Les Coquelles, and French controls at Dover and Cheriton in Kent. In the first year of operation (2002-3) 2,232 people were refused entry to Britain.

It is much to be regretted that former Prime Minister Cameron allowed himself to talk alarmingly about the “*French pulling out of the Le Touquet Agreement*” in some way causing the “*migrant camps at Calais to be moved to Britain*”.

The arrangements at Calais are an integral part of a system which covers Belgium as well as France and Britain, has worked smoothly in all three countries' interests for over 20 years, and is in fact *no different from those that govern country to country air transport throughout the world*. The arrangements at Calais are not being affected in any way by the outcome of the British Referendum.

3.2 UK-IRELAND COMMON TRAVEL ZONE (CTZ)

This has been in operation since 1923 and applies controls only to those who are neither British nor Irish citizens. Post-Brexit, the ROI will have to apply British immigration rules to EU nationals as they did before 1973 and they currently have to non-EU nationals, if UK immigration checks are to be avoided at the Irish border.

Other borders offer simple models for Northern Ireland/Republic of Ireland

Project “Interreg” for collaboration across the 1,000 mile long Sweden-Norway border has been going since 2014. No problems have apparently arisen although Sweden is in the EU and Norway is not. Customs and unobtrusive border controls operate without fuss just as they do between France and Switzerland and other EU Continental borders. The analogies with the Northern Ireland-Republic of Ireland border are complete. The fuss over the NI-ROI border is an excuse got up by the ROI/Sinn Fein to try again to detach Northern Ireland from the UK. There is a border in effect between Wales and the ROI across the Irish Sea, and the ROI is not making a fuss about that.

Few people in the EU know or care about the Irish border. Barnier and co. have jumped on the issue simply to obtain greater leverage in the trade negotiations. Special cameras developed for battlefields could observe every crossing point on the Irish border. A system of remote customs declarations could easily be installed just as there is at the Geneva border between France and Switzerland. A system of “frontalier” identity cards for those living within 30 km of this border and the Sweden-Norway border have been in operation without fuss for years.

The convoluted Anglo-Irish discussions about the need for “alignment” are simply ridiculous – got up by the Irish to pretend there is no border. In fact the ROI maintains quite different VAT, Corporation tax and personal tax rates which are distinct not only from British (and therefore Northern Ireland rates) but from the rest of the EU too!

The whole Irish border issue is a tremendous farrago of nonsense, which the British have allowed themselves to be bamboozled by. The Irish will have to be told, the UK is a sovereign country and this is how the border will be. They will soon get used to it as they have nowhere else to go.

Stephen Bush

8/3/18