Rift deepens between Britain and European Union as talks reach no agreement

Robert Stevens 19 October 2017

Twenty-seven European Union leaders will today inform British Prime Minister Theresa May that after five rounds of negotiations over the terms of its exit from the EU, the UK needs to make further concessions.

At the beginning of negotiations six months ago, today's annual summit of the European Council was set as the date by which it was expected agreement on the first round of talks would have been concluded.

A draft statement released last week, agreed by the European Council (EC), representing the 27 other member countries, states that agreement has not been reached with the UK on the three areas it stipulated when it issued its hard-line Brexit negotiating strategy in April.

The EC stated then that in order to progress to an agreement over a future trading relationship with the UK, the following issues had to be resolved:

- * The residency rights of EU and UK citizens post-Brexit.
- * The UK payment to the EU as part of its "divorce" settlement.
- * An agreement avoiding the creation of a "hard" border between the Irish Republic—which is an EU member—and Northern Ireland.

In its draft statement, the EC says only that some progress has been made regarding EU citizens' rights and calls on the UK, "to build on the convergence achieved so as to provide the necessary legal certainty and guarantees to all concerned citizens and their family members who shall be able to exercise directly the rights protected by the withdrawal agreement..."

On the Irish border issue, it notes only there has been "some progress on convergence on principles and objectives ..." As regards the "avoidance of a hard border," the EC declares it expects "the UK to present and commit to flexible and imaginative solutions called for by the unique situation of Ireland."

Regarding the financial settlement the UK must make,

the EC notes the "UK has stated that it will honour its financial obligations taken during its membership," but this has "not yet been translated into a firm and concrete commitment from the UK to settle all of these obligations."

Moves to a second phase of talks on trade will be reassessed at the next session of the European Council in December, "with a view to determining whether sufficient progress has been achieved" to allow this.

As the document was released, EU lead negotiator Michel Barnier said bluntly, "We have reached a state of deadlock. This is very disturbing."

The EC position was released just hours after the May government called on the EU to relax its hard-line negotiating position. It confirms that the EU, at the insistence of Germany and France, will allow no concessions to Britain. The response follows the speech May gave in Florence September 23, which was hyped by London as being crucial to breaking the deadlock in negotiations with the European Union, but which achieved nothing.

In a desperate move to progress the negotiations ahead of the summit, May made a surprise visit to Brussels on Monday for talks with European Commission president Jean-Claude Juncker. Under pressure from the "hard Brexit", anti-EU wing of her Conservative Party, May had nothing more to offer Juncker than a €20 billion settlement.

May left Brussels empty-handed, with only a brief joint statement with Juncker stating that negotiations were ongoing and "these efforts should accelerate over the months to come".

The British prime minister received the same rebuff from German Chancellor Angela Merkel. The *Financial Times* reported that Merkel "warned her that the EU would not start discussing a transition deal with Britain until she put more money on the table." It added, "That message was also conveyed to Mrs May on Monday by French President Emmanuel Macron, with French officials saying Paris and Berlin are 'perfectly aligned' in their approach on Brexit."

While May adopted a diplomatic pose in Brussels, the stance of her government to the EU—and an indication of the nationalist rivalries tearing the continent apart—was provided last Friday by her Chancellor Philip Hammond who told Sky News, "The enemy, the opponents, are out there. They're on the other side of the negotiating table. Those are the people we have to negotiate with, negotiate hard to get the very best deal for Britain." This followed a statement by Juncker asserting, "We Europeans have to be grateful for so many things Britain has brought to Europe. During the [Second World] war, before the war, after the war. Everywhere and every time. But now they have to pay."

Tensions have ratcheted up even further in the 48 hours following the failure of May's Brussels trip.

Brexit Secretary David Davis told the British parliament on Monday, "They [the EU] are using time pressure to see if they can get more money out of us... Bluntly that's what is going on—it's obvious to anybody." He warned, "We all must recognise that we are reaching the limits of what we can achieve without consideration of the future relationship," adding, "The maintenance of the option of no deal is both for negotiating reasons and sensible security."

On Tuesday evening, Antonio Tajani, European Parliament president, which has to ratify any final agreement, told BBC's *Newsnight* that Britain would have to pay far more than €20 billion. Asked if the EU was delaying talks in order to extract larger financial sums from the UK, he replied, "€20 billion is peanuts, it's peanuts €20 billion... The problem is 50, 60 [billion euros], this is the real situation... We are realistic. The UK government is not realistic."

With increasing talk by the hard Brexit wing, including Davis, that not reaching a deal with the EU was a possibility, the government has stated soldiers could be mobilised to patrol the border of Northern Ireland and the Republic of Ireland in that scenario. Appearing before the Commons Home Affairs Committee alongside the Home Secretary Amber Rudd, Philip Rutnam, the department's top civil servant, said, while our "strong preference is to deal with the border and security needed at the border through Border Force and that is the basis in which our planning is proceeding... any use of the military would be an absolute last resort."

The government is being torn asunder between its proand anti-EU wings over Brexit, with other senior cabinet figures, including Rudd, opposed to a no-deal conclusion to the talks, something she described as "unthinkable."

Those advocating a possible, no-deal outcome are opposed by the majority of big business and most MPs. On Sunday, Labour Party Shadow Chancellor John McDonnell—party leader Jeremy Corbyn's most senior ally—told the BBC, "I don't think it's a realistic option, it's not going to happen. I don't think there is a majority in parliament for no-deal. They haven't got a majority to get through a no-deal situation in parliament. If we amend the legislation for parliament to have a meaningful vote, that will force the government to negotiate and come to their senses."

McDonnell was referring to the upcoming debate on the government's EU Withdrawal Bill, the first step in the UK leaving the EU—scheduled for March 2019.

The scale of changes being proposed to the Bill by both the Remain and Leave factions of parliament--300 amendments and 54 new clauses have been tabled according to the government—is such that it will not now be discussed until November 13, after MPs return from the autumn recess. Originally, the government had intended to bring the bill back to the House of Commons straight after the Tory annual conference earlier this month, if it was to have any chance of being passed by next spring.

Labour's shadow cabinet has put forward more than 20 amendments to the bill and oppose it being passed without amendments. Pro-EU MPs in the cross-party group on European relations—led by Labour's Chuka Umunna in alliance with the Tory Anna Soubry, have put down dozen's more amendments, which according to the *Guardian*, "have enough Conservative signatures to potentially threaten May's majority."

One of the main amendments has been tabled by former Tory cabinet member Dominic Grieve and nine other Conservatives. Backed by members of the other main parties, it states that any final deal must be approved by an entirely separate act of parliament, which if passed, means the pro-EU wing of parliament would have the opportunity to veto a hard-Brexit or no-deal outcome.



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