

Voters have disarmed our Brexit negotiators – we'll get a worse deal



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Deal or no deal? On Thursday, Britain [took its best options for Brexit off the table](#). Although the Government said that “no deal is better than a bad deal”, its ultimate goal was to ensure that we never faced that choice.

The election has, however, made a good deal impossible and so the choice between “no deal” and a “bad deal” now looks inevitable. Unfortunately, the election has also now ensured that the consequences of “no deal” would be immeasurably more damaging.

Let me explain. [Negotiations with the EU](#) were always going to be difficult and nasty. I was cautiously optimistic, however, that shared interests and mutual reasonableness would eventually result in a workable deal, delivering Brexit without a crippling economic cost.

This option is now gone for the foreseeable future. The reason that is that implementing it requires passing a series of enormous, controversial Bills through Parliament, covering everything from immigration to fisheries. There is little chance that Theresa May, or any Conservative Prime Minister, [can steer any such legislation through both Houses](#). From the most pious of peers to the pro-Remain Scottish Tories, our new Parliament heavily favours the softest of soft-boiled Brexits. The Government will not get the support it needs to implement anything else.

This will prove deadly to the Brexit negotiations. The British delegation will arrive for talks in Brussels carrying a pile of paper that no one can vouch for. It is like turning up to fight a duel with a dead fish. Britain can huff and puff and make as many demands as it likes. The EU's negotiators will simply stare at us across the table and think to themselves: “Whom do they speak for? Can they deliver any of this? Will this Prime Minister even be here next week?”

Confident that our newly elected Parliament would do almost anything to avoid talks collapsing, the EU will have overwhelming incentive to concede nothing. Expect an enormous Brexit bill, EU court authority over its citizens' rights, continuing regulatory meddling and so on. The deal on offer could be so bad that it would simply be better to stay in the EU single market or European Economic Area for the time being.

This is, of course, many Remainers' preferred choice. It is not a good option, however. Although it guarantees continued tariff and customs-free trade and offers us some recourse to dispute particularly discriminatory EU regulation, it does not do anything that a reasonable voter could expect Brexit would do.

It does not end free movement or the jurisdiction of EU courts. It could well increase our annual budget payments by abolishing the rebate. It is much worse than simply remaining a member of the damn club – and will be viewed as a total betrayal of the referendum result.

None the less, this is our likely option one. Naturally, Brexiteers will consider any possible alternative. No deal is better than a bad deal, right? Well, perhaps, before. But the new paralysis in Parliament has dramatically heightened the dangers of a “no deal” scenario.

If the Tories had a large majority, withdrawing from the EU without a deal would have been painful, but the Government could have mitigated some of the risks. It could have passed a Budget including cash to upgrade immigration and customs capacity, put EU law into British law for the time being to provide some legal certainty and temporarily replicated EU tariffs to ensure international trade could continue smoothly. It would still have been a rough ride, but minimally cushioned by the government.

None of these preparations are possible, however, if Parliament will not pass them. The only way for us to quit the EU without a deal in such a situation is for the Government to sit tight and let the time run out on negotiations. At that point, in March 2019, Britain would crash out with no plan in place. Businesses and investors would not know if their legal contracts were enforceable. Border and customs officials would have no idea how to process the queues of people and lorries. Planes taking off from runways in Luton would not know if they had permission to land in Lyon. Millions of EU citizens here and Britons abroad would be in limbo. All of this is bad enough, without the additional risk from Britain’s enormous current account deficit. Every year, our economy requires a vast inflow of cash from abroad to keep going. That means any market freeze triggered by a Brexit-related legal vacuum could send sterling into freefall and generate an instant debt crisis. No responsible government can take such risks.

This leaves a nightmarish choice: betray Brexit or risk disaster. Either choice is electoral poison for the Conservatives. It is quite possible that whoever is then our prime minister will instead opt for another election or referendum to avoid making it. There are many Remainers who, calculating that Friday’s result will lead to an ultra-soft Brexit, are rather pleased. I voted Remain, but I am not among them. Mrs May had judged her Brexit policy well and although her plan carried economic risks, I thought they were tolerable given the unequivocal referendum result and the likelihood that, in the end, we’d strike a decent deal with the EU.

By contrast, the Brexit betrayal might avoid a short-term hit to the economy but will be deeply damaging to our democracy. Voters will draw one conclusion from it: the more we vote for change, the more things stay the same. This can only result in further gains for the political extremes – Ukip and the hard Left.

It is small consolation to know that Labour voters are just as split on Brexit as the Tories. Jeremy Corbyn owed his unexpected gains to an electoral alliance of anti-Brexit young people and the pro-Brexit working class, who endorsed his fiscal giveaways only on the condition that Labour, like the Tories, would take us out of the

single market and end free movement. This alliance would shatter immediately were Mr Corbyn ever to gain power.

The bad news for Conservatives is that, thanks to their “victory”, it is they who have been left facing pistols at dawn armed with nothing but a dead fish. Mrs May is trying to proceed as normal, but must know that everything has changed. The sooner Tories work this out and accept that, for now, a “soft” Brexit staging post is the only palatable option, the better. Their battle for a “real” Brexit must now be won again, in the years to come.

