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Britain must leapfrog Brussels and seize the initiative on every front



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Theresa May will never forgive EU Commission chief Jean-Claude Juncker for his dinner stunt. Working trust has been shattered

The scandalous 'Brexit-Dinner' in Downing Street was an ambush. Quite apart from the breach of trust by EU officials, the incident was clearly planned.

It has the hallmarks of a stunt. The "leaks" in the <u>Frankfurter Allgemeine</u> - should you be so naive as to accept them at face value - are a concerted attempt to discredit the Prime Minister and the Government at the outset of an election campaign.

Brussels is behaving as if it hopes to reduce her working majority in Parliament, and blunt her Brexit mandate. The EU is playing on Britain's deep political and regional divisions at a critical moment, in essence trying to manipulate the outcome of a Westminster election.

The mask drops when Commission chief Jean-Claude Juncker pulls out two heavy tomes from his attaché case, either as mockery or to drive home the point that negotiations must follow a remorseless bureaucratic calendar determined by the EU side alone.

One was Croatia's accession file and the other was Canada's trade agreement. Neither has anything to do with Brexit. These are not texts you would take to a private dinner - a free-ranging discussion, not a Brexit negotiation - unless your purpose is theatre.

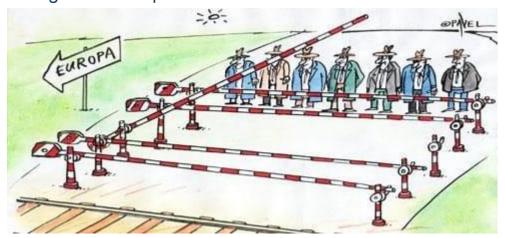
The Frankfurter Allgemeine alleged that Mr Juncker was astonished by Mrs May's talk of a sub-deal on the rights of EU expatriates by June. But <u>as the Telegraph</u> <u>reports</u>, diplomatic documents show that this was the formal request sent to Brussels by the UK side several weeks ago.

Piotr Serafin, chief of staff to EU president Donald Tusk, said at a meeting on April 11 that such an arrangement was probably "not feasible". What he then added is revealing.

Mr Serafin said it was "very important not to give the impression that the EU was blocking an early agreement on citizens' rights". That of course is exactly what the EU is doing.

There is no point dissecting all the claims in this episode. To do so lends them false authority. As Home Secretary Amber Rudd says, it is all "tittle tattle".

What is obvious is that Britain is getting the "Greek treatment", or indeed the treatment given to Italy's Silvio Berlusconi before he was driven from office in an EU-orchestrated soft coup in 2011 and replaced by a former EU commissioner. It is the subjugation ritual that all EU applicant countries must go through with their enlargement "chapters".



This is what the east Europeans had to put up with when they joined the EU. But the UK wants to leave CREDIT: PAVEL

The method is to dictate terms and timetables, and to treat reasonable dissent as either outlandish or a failure to understand how the EU works. In this case Mrs May is portrayed as "badly briefed" when she is in fact challenging premises.

There is feigned consternation at her request for a broad "outline" of future trade relations before Britain signs the cheque on divorce payments. Her position is deemed absurd, or mischievously recast as "ill-informed".

Unfortunately, Mrs May already has one foot in this EU negotiating trap. She is trying to craft an overly complicated agreement with a counter-party that deems itself much stronger. This leaves her prey to the EU's slow bureaucratic asphyxiation.

In the best case, she is likely to end up with a very messy deal that breaches key red lines and perpetuates the jurisdiction of the European Court over large areas of policy.

It may well look like temporary membership of the European Economic Area, the Norwegian template, except that it will be a bad variant without automatic access to the single market and passporting rights for the City. If so, it would be far better to file an application to the EEA immediately and skip the whole grim process of unbalanced talks.

Regrettably, it is late in the day for such a policy switch, and Theresa May is not inclined in that direction. Her narrow - and dubious - interpretation of Brexit as an anti-migrant vote has left this country needlessly vulnerable.



The Norway option of the EEA for a decade with access to the single market and protection of the City has its problems but would have freed the UK from endless negotiations

The timing of the EU's bombing raid on Downing Street has caught London by surprise. Germany has hardened its position markedly since the Tories called the snap-election. All signs are that Chancellor Angela Merkel has given a green light to those in Brussels and Paris who want to hold Britain's feet to the fire.

This comes despite a string of relatively conciliatory gestures by Theresa May: her defence of Nato and the EU cause in Washington; her unbroken support for the UK's security and global commitments; her <u>Lancaster House speech</u> calling for

intimate ties with Europe, whilst respecting the integrity of the EU's four freedoms by leaving the single market.

None of this has made any difference. Anti-British rage has exploded in EU governing circles. After the Phoney War, the logic of Article 50 is at last hitting home.

For whatever reason, the German finance ministry and Kanzleramt have chosen to interpret Britain's snap-election as a hostile act, rather than an attempt by Mrs May to limit the influence of Brexit ultras in her own party and to smooth the way for a softer deal.

Berlin and Brussels are irritated, and have let their irritation show. They had expected to deal with a fragile UK government over the next two years, one without a clear mandate for its Brexit strategy, and vulnerable on multiple pressure points. None of this is so clear any longer.

What we now face is diplomatic war and a very dangerous situation. At the end of the day, it is Germany that is setting policy, and Germany has demonstrated in its handling of Europe's monetary union that it is apt to see events through a self-serving moral prism - without doubting its own righteousness - and is capable of catastrophically bad economic and political judgment.

Whether the fall-out from the Brexit Dinner has poisoned relations irretrievably remains to be seen. Trust has for now been shattered. Ultra-hard Brexiteers who always argued that it was futile to negotiate any deal with the EU's Caesaropapist machinery are gaining more credibility by the day.

It is now imperative to draw up a 'Plan B' that limits the need for negotiations. I floated one possibility last week (to the horror of many readers): the revolutionary option of unilateral free trade, modulated by a free exchange rate that would cause extreme discomfort to the European Central Bank. We would never again have to admit Mr Juncker into the hallowed halls of a British institution.

We should unilaterally announce total protection of all EU citizens living legitimately in the UK, regardless of what the EU does. We should unilaterally declare an open Irish border and total working rights and privileges for all Irish wishing to work in the UK, regulating back-door inflows of future EU migrants by other means.

We should refer the divorce claims to the international court of treaties in The Hague. If the EU wishes to thwart any of these actions - which would not be easy - let it explain the moral basis of its decisions.

What Britain must not do is to limp along responding sheepishly to orders issued by Brussels. Above all it must not go down the suicidal route of trying to bluff the EU. The UK must act.