

Who will blink first?

Our attention has been drawn to an interesting article which appeared on the *Conservative Home* website. The author, James Arnell, claims that we in the UK have a different mindset when it comes to negotiations. "In the UK", he claims, "parties generally start from a position which is more or less reasonable on each side and move together to a deal relatively quickly, seeking to avoid unnecessary escalation up the chain of command."

The Continental approach is very different:- "Negotiations generally start with almost ridiculously extreme positions on each side...It is not at all unusual for these steps...to be accompanied by walkouts, requiring bosses to get things 'back on track'. Ultimately, this continental form of negotiation culminates in a relatively rapid final phase of negotiations between the 'head honchos', in which, after months or years of painful posturing on both sides, points are traded embarrassingly quickly and a deal is sealed."

Mr Arnell says that we should really start worrying if the negotiations are going smoothly at this stage as it means that the UK side would have been giving too much away.

The author works for Charterhouse, a private equity firm. His biographical page on that firm's website states that he is a barrister who speaks French and German fluently. All things considered, this article on ConHome sounds like it has been written by someone with first-hand experience of the Continental mindset with which David Davis and his team are having to deal during the Brexit negotiations. Maybe this is why not a lot is being given away by the UK government. While such tactics may ultimately turn out to be the best way of getting a favourable deal with the EU, as we have pointed out the lack of the details of any Brexit masterplan is causing concern for a number of business figures who are keen to know

in far more detail what the government's exit plans actually are.

A little extra piece of detail did emerge yesterday morning. According to Open Europe, Theresa May was adamant that even any transitional deal would not involve membership of the Single Market. "We said we would no longer be members of the single market because we will no longer be members of the European Union.," she said. Fair enough, but if there is another plan, not only organisations such as the Campaign for an Independent Britain but more importantly, some big names in the business world are straining at the leash for some reassurance.

Some confirmation of Mr Arnell's analysis of the Continental mindset has surfaced in the shape of a reference document of the Workshop on "Common Fisheries Policy and BREXIT" held on 21th June 2017, by the European Parliament's Committee on Fisheries. Concern has already been voiced about our denunciation of the 1964 London Fisheries Convention, an agreement which pre-dated our joining the EU allowing limited access to vessels from other Western European nations to certain areas of the waters between 6 and 12 nautical miles from our coastline.

As the wording of the original document was vessel-specific and no boats permitted to access our waters in 1964 are likely still to be active, denouncing this Convention could turn out to have been little more than a precautionary measure. The message it conveyed, however, was that the UK is serious about regaining control of all of our waters right up to the 200 nautical mile/median point limit and it was not well received. The response of Geert Bourgeois, the Flemish Prime Minister, was to wave around an ancient charter signed by Charles II in 1666 allowing fifty herring boats from Bruges "eternal rights" to fish in UK waters. A bit of research showed this action to be nothing more than sabre-rattling. Even nearby Zeebrugge, a far more important fishing port than Bruges these days, could

only muster 43 fishing boats in total four years ago.

So it comes as no surprise that the European Parliament is keen to see EU boats continue to plunder our waters. Although trade and fisheries will be handled separately, the report says, "The fact that these issues will be negotiated in separate legal frameworks should not lead to the fragmentation of fisheries issues, which should be addressed in their entirety and together, so as to ensure that the free movement of fishery products is linked to free access to waters and resources and vice versa". As John Ashworth of Fishing for Leave commented, "The EU will want to tie the whole package together using blackmail on trade" – In other words, let us fish in your waters more or less as before or we'll make it hard for you to sell fisheries products in the EU.

John has studied the issue of historic rights and has concluded that we can take back control of our waters without being open to a legal challenge over this issue. Nonetheless, the European Parliament document says "These historical fishing rights should be taken into account in the negotiations to facilitate preferential access by Member State fleets." I shan't repeat his rather forthright comments about this for fear of offending anyone's sensitivity, but suffice it to say that he is distinctly unimpressed with the reasoning of the European Parliament! As an aside, it is worth pointing out that the European Parliament has a relatively minor role to play in the Brexit process, but its attitude is unlikely to be different from that of other EU institutions.

The bottom line is that if there is no agreement on fishing, the EU will be the clear loser. We would have full control of our waters right up to the 200 nautical mile/median point on Brexit day and no EU vessel would be able to fish anywhere within it. The loss of access to EU waters by our fishermen would be more than compensated by having exclusive access to our own.

This, or course, assumes that Michael Gove does not blink first and give way. The denunciation of the 1964 Convention was a move in the right direction, but the howls of protest from across the Channel are a warning to him that he will need to hold his nerve.

Indeed, it may not just be Mr Gove who needs to take James Arnell's advice on board. Yanis Varoufakis, the former Greek Finance Minister has written a book called Adults in the Room based on his personal experience of how awkward he found EU officials to be. On the other hand, while we have the upper hand on fisheries, we certainly don't when it comes to other important areas of trade. Our negotiators must hold their nerve and not be intimidated, but they know that the mantra "no deal is better than a bad deal" is no more rooted in reality than the prospect of fifty 350-year old herring boats from Bruges suddenly appearing in the Channel demanding their eternal rights to fish in our waters.

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