
NOW TALK NICE: EU SCRIPT TO HELP MAY SETTLE BREXIT BILL

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BRUSSELS (Reuters) - Diplomatic theatrics at last weeks Brussels summit revealed how European Union leaders will coax British Prime Minister Theresa May over the next two months into parting with tens of billions of euros in return for a post-Brexit trade deal.

Britain's Prime Minister Theresa May addresses a news conference during an European Union leaders summit in Brussels, Belgium, October 20, 2017. REUTERS/Francois Lenoir

May gave away nothing hardliners in her Conservative cabinet can beat her with. She stuck to earlier vague concessions about honoring commitments and insisting a Brexit bill, which the EU reckons at around 60 billion euros (\$70 billion), must be part of a package deal on what Britains relationship with the EU will be once it leaves in March 2019.

Sticking to their own script, the other 27 states gave May until the next regular summit in eight weeks to improve an offer officials estimate at about 20 billion euros if she wants them to start discussing future trade ties. Miss that deadline and, the EU says, time will be running out for any deal.

Yet between the lines of well-rehearsed arguments that have hit deadlock in the view of the EU negotiator, the outlines of a political fix are emerging. It may create leeway to get round an impasse that is in neither sides interest and which has left businesses fearing the legal limbo of a messy divorce.

In essence, the 27 need to trust May that Britain will pay much more than is on the table but understand her difficulties in naming a figure by December, which could spark revolt at home and derail the process. In return, they seem likely to let slip more hints of what kind of future relationship she might secure.

The EU position is solid, Italian Prime Minister Paolo Gentiloni told reporters after the talks, but also flexible.

It was unrealistic, he said, to expect May to sell a precise demand for money in December. Equally, she could not expect the EU to negotiate a future trade deal without knowing roughly what outstanding items Britain would pay for. But defining those items could, Gentiloni said, be done in the most politically manageable way possible for our British friends.

Even the roughest of definitions will let commentators work out numbers. But as a senior diplomat from another major EU power put it: We dont want to go public with a bald figure. If its on the front page of The Sun, the whole process is dead.

Underlining a growing appreciation of Mays limited room for maneuver, European Commission President Jean-Claude Juncker was quoted in a German newspaper on Sunday as telling aides he found May despondent when they met last Monday, beset by party coup plots and asking Europeans to help her out.

POSITIVE NARRATIVE

Aware of her troubles, EU leaders accentuated the positive.

Reports of the deadlock ... have been exaggerated, summit chair Donald Tusk concluded, adding that discussions with May had finally succeeded in establishing trust and goodwill.

Tusk, a former Polish premier, echoed the EU mantra of unity among the 27 and full backing for European Commission negotiator Michel Barnier, whose team of technical experts are handling the talks with London. But he also acknowledged a nuance in his role in steering the high-level political imperatives of the leaders.

That, Tusk said, meant he would be a positive motivator in the coming weeks to create a more positive narrative than what some British politicians call EU blackmail demands.

Anxious not to worsen Mays troubles at home, fellow leaders made an effort to demonstrate goodwill. German Chancellor Angela Merkel and French President Emmanuel Macron take a hard line on sequencing divorce talks before trade, but they huddled with May in amicable conversation for television cameras.

The EU communique acknowledged progress on key issues, which also comprise expatriate rights and the Irish border, and instructed Barnier to begin internal EU preparations for the talks May wants on a two-year transition period after Brexit.

Tusk said EU preparations would take account of proposals presented by our British friends -- an indication that, even without direct talks, May might be able to show her domestic audience an outline of how the EU sees future ties.

Over dinner on Thursday, she appealed for help and stressed two concessions made in a speech at Florence on Sept. 22 -- that the 27 would not lose out financially in the current EU budget ending in 2020 and that Britain would honor its commitments.

Some were disappointed that she repeated Britains rejection of the legal basis of much of the EUs demands, notably that it pay for EU commitments lasting beyond 2020. Macron, for one, said they were not even half way toward an agreement on money.

But others detected a more positive tone. Luxembourg Prime Minister Xavier Bettel said May had indicated that Britain was at least analyzing what other parts of the bill it might pay. Merkel said she had no doubt a good agreement was possible.

Yet there are few illusions that the Brexit plot will play out smoothly. Weve always predicted a drama for autumn, one EU diplomat said. We havent seen it yet. So maybe November.

Kaynak/Source: