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Pat Cox's Lecture: The EU after Brexit

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Pat Cox's Lecture: *The EU after Brexit*
ANUCES, November 2019

Speakers:

Chair: Rita Parker (Europa Visiting Fellow at ANUCES)

Guest speaker: Pat Cox (Jean Monnet Foundation President for Europe, former elected member of the Irish Parliament, former president of the European Parliament, former media television presenter of current affairs)

Others: H.E. Breandán Ó Caollaí (Irish Ambassador to Australia), Anne McNaughton (ANUCES Executive Director)

Others in attendance:

H.E. Lars Backström (Finnish Ambassador to Australia), H.E. Basim Hattab Habash Altumma (Ambassador of Iraq to Australia), H.E. Bernhard Zimburg (Ambassador of Austria to Australia).

Audio Recording: https://soundcloud.com/user-632579922/pat-cox-lecture

Transcript

Opening

RITA PARKER: Good afternoon, everybody. My name is Rita Parker. I'm a Visiting Europa Fellow here at the Australian National University Centre for European Studies. On behalf of the university, I acknowledge the first Australians, on whose traditional land we meet today, and pay respects to their elders—past, present and emerging.

Welcoming of guests

PARKER: A very deep and sincere welcome to our distinguished guests. His Excellency Breandán Ó Caollaí—the Irish Ambassador—and our guest speaker Mr Pat Cox, who I will introduce more fully in a moment. I also wish to welcome other members of the diplomatic corps who are here today including ambassadors from Finland, His Excellency Backström; from Iraq, His Excellency Altumma; and from Austria, His Excellency Zimburg, who unfortunately will be leaving us because his term here in Canberra is coming to an end. And he's been such a great supporter of this Centre, so thank you. I also would like to welcome other distinguished guests, and indeed welcome to each and every one of you for making time to come today to this very important and topical presentation.

ANU Centre for European Studies

PARKER: The Centre has been established since 2001. It's the most established centre in the region, and it's had funding since 2001 to promote the EU studies and dialogue with Europe through various programs and activities and research initiatives in partnership with the European Commission. Since 2018, the Centre has been delivering research, education, and outreach with the support of the Jean Monnet Foundation; the actions under the Erasmus+ Programme of the European Union.

Parker introduces Pat Cox

PARKER: And this Jean Monnet Lecture today by Mr Pat Cox is under the auspices of the ANU Centre for European Studies and the Irish Embassy. And we are particularly grateful to His Excellency and to his wonderful team at the Embassy.

Now, while the ambassador's resume of diplomatic service has been described as 'as long and as fertile as the ring of Kerry', I've struggled to find a similar or appropriate description for our guest speaker today, Mr Pat Cox, but I'll try to give you a flavour of the depth and richness of his career as an Irish politician and as a former media television presenter of current affairs. Perhaps, Mr Cox can best be described as an eminent elder statesman of Europe, having served not only as an elected member of the Irish Parliament, but also having served three terms in the European Parliament from 1989 to 2004. And during that period, he was also president of the European Parliament for two years, and I believe that is the only time an Irishman has held that position, for which we're very proud.

His contribution and service have been recognized internationally. He was awarded the Charlemagne Prize for his significant contribution towards European unification, he's a recipient of the Grand Cross of the Order of the Star of Romania and he was awarded a Knight Grand Cross of the Order of the Merit of the Italian Public. Since leaving elected office, he continues to be an influential voice in European affairs, serving in a range of private and public sector roles, including as the current Jean Monnet Foundation President for Europe. As such, it is with particularly great delight that here at the ANU Centre for European Studies, that we welcome Mr Pat Cox to give today's Jean Monnet Lecture, which is entitled *The EU after Brexit*—or perhaps it should have been renamed *The EU and Brexaternity*. But please join me in welcoming Mr Pat Cox.

Guest speaker Pat Cox

PAT COX: Excellencies, ladies and gentlemen, it's really good to be here. And in particular, I want to thank Breandán Ó Caollaí and his colleagues at the Irish Department of Foreign Affairs for giving me the possibility to join you here today.

Indeed, as I looked at the title—so I am glad you finished as you did—I feel we have you here under false pretences. If this was an advertising campaign, and you probably could have us before some complaints body for trying something on. We did—when we discussed, Breandán and myself, when I might come here—make the wholly ridiculous presumption that Brexit might be completed in its first phase by the 31st of October, because some important and prominent people said it would happen do or die. They didn't do and they didn't die, so c'est la vie. And so, we are here with the EU with Brexit, but not yet after. So let me take this if I may as the point of departure of my remarks.

The Irish Context

COX: We in Ireland—and I'm an Irish European, so we will deal with all the bit—we in Ireland are probably the state in the European Union most obsessed by Brexit, after the British themselves. And this is because for us it had two and has two major strategic challenges. The first one is the deepest anxiety that we should not return to the dreadful relatively recent past that we put behind us with the Belfast Peace Agreement, and that we should not return to a hard border on our island.

We're a small island with 32 administrative counties. Six of those in Northern Ireland are constitutionally part of the United Kingdom, and 26 of them are the Republic of Ireland. And we have a border of 499 kilometres, and we've lots of crossing points. And when I was a younger man and a young academic many decades ago, I would go back and forth to Northern Ireland with some regularity because I felt I had a duty to lift my own level of ignorance to some higher level of understanding to do with the day-to-day nature of life there and not just to do with, you know, macro issues of politics and economics. And when I would cross the border, whatever it was, from

whichever element of the 499 kilometres, I would come to a point where there was a queue of traffic. And for that queue was caused by very big concrete blocks on the road, and for whenever you got to the front of the queue, you would drive into a z-shaped zigzag through these blocks. And in a tower—a watch tower—someone with a submachine gun and big arc lights would look down, and if it was the night-time, the light would shine.

And some troops, whose job it was (they were doing their job), would ask for your identification, would open the back of your car, would ask who's in the car with you. They would put a mirror underneath to see is there any contraband or explosive there. And just in case, having done all of that, some of that could be true, in case you wanted to drive quickly to the other end of the zigzag, they had a great big piece of metal with big nails sticking out which would shoot across the road and burst the tires in your car. And probably the consequences: you'd end up a bit burst yourself or deflated if you did that.

So, these were the realities. And I tell them simply because for persons unlike me, whose life required them for commerce or going to school or hospital to make these crossings on a daily basis, just imagine what it was like. And here I'm not talking about a context of terrorism and those, just day to day doing the ordinary things that we do in our lives and having those things to go through. And so, imagine the wonder of the liberty of not having those things. And then imagine that it could be possible that some of that in some form could come back. And that it could trigger latent hidden forces that might find a new hour of self-expression.

So of course, we were right to be worried. And I want to say here in the presence of the ambassadors from other member States of the European Union, as I had the privilege to say to them earlier today in a more intimate setting, we are deeply, deeply grateful as Irish people that the large nations and the small nations of the European Union, that the Northern and Southern ones, the Eastern and Western ones, gave us their most undivided solidarity to say, we understand this, and you are one of us and we will stand with you. And I think it tells something very big that a very big organisation can put its arm out to a very small member and to say we will take you into our hearts. And so, it says something really big and positive about the European Union and not just about the particularities of the point I make.

Brexit Referendum

COX: And in the Irish context, it turned out as it happens that this shared concern with this solidarity became one of the defining issues that made doing a deal really difficult. So, when all this started—now let me take a step back (we could go back a long ways), I'll go back instead to the day of the referendum, and that referendum, as you know, was in May of 2016. 72% of the people in the United Kingdom voted. I know you have in Australia compulsory voting, in the United Kingdom, they do not. So, 72% is a really big turnout where you've no compulsory voting. And the United Kingdom is a constitutional monarchy without a written constitution in which representative democracy is at the heart of how they do things, and plebiscitary democracy, or the having of referendums, is not how they do things. And so, they had 52% who voted to leave and 48% who voted to stay.

So, imagine—we've changed this now, we've gone very modern in Ireland with motorways and all those things that modern states have -- when I was a youngster, we'd little country roads and we'd narrow, little signs that were painted in black and white, and there was a little triangle at the top that said like the next place is that way, and it's 10 miles away. So, imagine that we're looking at this as a road sign—we're at a crossroads—and we have a referendum in the UK. And one sign points, it says "remain", and one point goes to "leave." And so, leave won. So, we all just said we will leave. But you would notice as the sign points to leave that it has no destination marked. What is the destination of the leaving has been the challenge, not the direction. The direction is for getting out

of something, but what's the direction? So, let me try to help you to understand the bit, the direction, without getting lost in too many technicalities.

European Union

COX: If you're inside the European Union, you're at all of the tables; you elect members of the European Parliament; your diplomats work in Brussels through the COREPER, the permanent representation system; your prime minister attends, or your president in some cases, attends the European summit meetings or the council meetings. Your various ministers attend their own administerial meetings (the environment minister, the agriculture minister) and there's a deep engagement of your state in the politics and the political process of making EU decisions. So, the decision to leave said, we're leaving all those tables. That's what that meant.

Possible options for a post-Brexit UK

COX: So, the question is what else is available? And one of the signs, and I just followed the kind of language that came with the debate, said, let's go to Norway. Norway is a state which is not at all those tables, but it is fully involved in the European single market (to do with economy, not to do with making the decisions). Norway is a full member, except it's not at the table to make the rules. It even pays money into the EU budget to be allowed to be at the table. So, one way is to say, we're leaving and we're going to Norway, so, we're happy with that, we know what that is. But the British view, as it emerged, was we don't want to go to Norway. So that's fine. We step back. We're still leaving, but we don't want to go to Norway.

The next thing—it wasn't talked about, but I'd pick it because it's the next grade down—we could go to Turkey. They didn't say we want to go to Turkey because they don't talk in that way when they're talking about those things in Britain, but Turkey is in the customs union. The customs union is less engaged in the economic access, but it's a real engagement. It means when you're inside the European customs union, you have no tariffs at all against each other in your trade, and you've no complications, which are goats crossing the border, but your border, even though you're not in the EU, is like the EU's border to other countries. So, if the EU had a tariff on Australian sheep, Turkey has to have the same tariff because they're in the club called the customs union. So, Britain could go even further to the doorway and all the way around here to Turkey, but they said, no, we don't want to do that. We don't want the customs union.

So, we come back, and we say, what's left? They decided, well, they're leaving, they'll look somewhere else, we'll go to Canada. Canada has just negotiated a free trade deal. A free trade deal is less than the customs union because Canada will not, like Turkey, have the same tariffs with the rest of the world as the EU. It will do whatever it does. But it will do a deal with the EU called a free trade agreement, where you will agree the terms, and where you will abide by the terms of the two sides and where you do it because you think both of you are going to get it. And finally, if you don't like any of those, you can go to Geneva, which is the headquarter of the World Trade Organisation, and say, give us the rule book, we'll tear up all the other stuff, and we'll have the hardest available Brexit and we'll follow the fallback position – the template of the WTO.

The leave-and-leave debate

COX: And in a kind of a way with that little presentation—now forgive me, some of you are really expert and say it's too simple, some of you say, actually that's interesting, that's how it worked—that was the debate in Britain. There is a remain and leave debate, that's for sure. But there's a leave and leave debate and they couldn't make up the leave and leave question, where are we going to? And the problem has been a profound problem. We've all witnessed it.

I, myself, don't watch too much television, and I make no issue of anyone enjoying those things. I don't watch the soap opera programs, but I have become absolute mesmerised by the soap opera of the evening British news, and it was better than all the other soap operas because you could never predict what was happening next. And it was an extraordinary process. And I don't tell it in a joke because I mean it really was extraordinary to watch this mature democracy and its diplomacy struggling to find a way.

The process of leaving (Article 50)

COX: So anyway, at the end they decided we don't want most of those things, and the EU, meanwhile, were saying, well, if you want to leave—and there's a thing in our Treaty it's called Article 50, which is the divorce clause—send us the letter. And then you've got two years to do the work—that is about what are the terms, how are we going to sort out the terms of the divorce—and then you're out on under the way it operates. So, they gave in the divorce letter on the 29th of March 2017, and following that logic, they're leaving at midnight Brussels time on the 29th of March of 2019, which was, as we know, several months ago.

Issue 1: Citizens abroad

COX: And the EU said there are three things we want to do first. We want to sort out citizens' rights. We have a whole lot of non-UK citizens living in the UK. You have a whole load of UK citizens living in the EU. Sort all that out. Don't have them all worried—what about me, my children, my job, my rights, my residency, et cetera. So that was number one.

Issue 2: Financial settlement

COX: Number two was in the EU you agree to put money in the EU budget, but the way it works, you don't dip into your pockets on day one and say, "there's my $50 I'm out." You keep the money in your pocket and when it's called up, you give it in, which means some of the money you owe you didn't give in yet. You gave in the promise, but you didn't give in the money because we didn't call it up yet.

So, the EU wasn't being asked, the French have a phrase: (*French phrase*). But the basic thing was, you also don't because you gave a commitment, but we didn't call it in yet because someone didn't spend it. And it wasn't a divorce bill, it was just honouring the thing you said you'd do, but we hadn't yet collected the money. So that was the financial settlement but then that was settled.

Issue 3: The 'Irish question'

COX: And the third thing was the Irish question. There was more—it was several sentences—but the Irish question was then the other thing. And so, I want to invite you now to visit the thirteenth floor of the Berlaymont building in Brussels in your imagination, which is the headquarters of the European Commission. And when you take the lift up to the thirteenth floor, there will be a very well dressed usher, and he will lead you accordingly with due pomp and circumstance and bring you to the dining room for a very splendid lunch in terms of cuisine and a nice delicate wine to accompany it, to meet president Jean-Claude Juncker of the European Commission, and it's the 4th of December, and it's 2017. And why are you there if you're Mrs May (because that's who he was meeting)? You're there because this bloody Irish question needs to be resolved or you won't get the pass to the next stage coming at a summit meeting at the end of December.

May's solution: No land border

COX: And they have a plan. And the plan is that they would have, if there's checks to be done, the border (let's call it that) will be in the Irish sea, so there will be no land border on the Island. And Mrs

May's negotiating team has negotiated Mr Junker's negotiating team through Mr Barnier, and they all seem pretty happy this is good.

No support from Foster

COX: And they're near the end of the lunch and the phone rings. Now the best thing to do then is switch your phone off at lunch, but the phone rings, and on the other side there's another lady, and her name is Arlene Foster, and she is the leader of the Democratic Unionist Party. So, let me open a little bracket as we just take a step back. Mrs May lodged the Article 50 divorce letter on March of 2017. And then she had a really bright idea. She decided she would hold a general election to get a majority for a strong and stable government. Whereupon she lost the modest majority she already had. And she looked to where can she find some numbers? And 10 hands went up, and they were the Democratic Unionists' deputies from Northern Ireland. So, if the leader phones from the ones who are keeping you in power, it's just as when the phone wasn't switched off. And Mrs Foster said to her, you can't do this. And so, now this is a bit of a crisis, and the summit is coming in two weeks' time, so they did a whole load of homework and they come with a different suggestion from London.

The 'backstop' solution

COX: We have an idea. We will have no border on the island of Ireland. And we think there are better solutions, but we can't think of what they are at the moment, so we'll all stay in the customs union, so that we don't need to have a border. We call that thing the backstop, and it was like an insurance policy and the word saying work unless and until the next better thing comes along.

This was a British solution to the problem. Somebody else then, that's fine. We don't mind if you have the border in the sea, we don't mind if you stay in the customs union temporarily because the issue is no longer an issue. We have our guarantee that the thing we don't want won't happen. And then what happens? Mrs May gets her deal. The Europeans are very happy. They tell her: now we move to the next stage, we discuss a transition period, to allow you to have the leave to do the building of the next phase of the relationship.

Resignations

COX: And then she goes home, and people think the deal stinks. And it takes a while for the stink to emerge because Mrs May keeps the cards close to her chest and she doesn't publish all of the detail. She saves it until the next summer. She shows it to her divided cabinet at a meeting at Chequers at the Prime Minister's country residence whereupon two of them jumped ship. One of them, David Davis, who was the minister for negotiating Brexit, who knew it all because he had had to negotiate it, and the other one (I'm sure there was no opportunism involved, but only principle) was Boris Johnson. And he left because of his very principled stand on what wasn't exactly clear tactic, and then it rumbled down like a bad case of indigestion. And then at a certain moment she publishes the draft withdrawal bill in November, and the Chequers wobble was only the prelude to loads of guys jumping ship without a parachute. So, a whole lot of resignations followed.

Vote of no confidence

COX: Mr Rees-Mogg, with all of those wonderful Mr Jeeves and Bertie Wooster capacities that he has, came along and said this would oblige the United Kingdom to remain a vassal state of the European Union. The great imperial centre on a bended knee and a vassal state. Not a state with all of its rights and equalities and standing and dignity, but a vassal state. And so, Mr Rees-Mogg and his buddies said we have no confidence in Theresa May as leader of our party, but she won the vote of no confidence. And then not to be left out of the game, Mr Corbyn in the Parliament said, we, the Labour Party, have no confidence in your government, but you just got the confidence of your party, but she won that too.

Defeats and division

COX: And then after Christmas—battered and bruised, but a little bit rested—she came back and she presented her deal. And it was defeated by the biggest margin in the history of the House of Commons. She lost by 250 votes. It is the biggest recorded defeat of a government in the long history of the House of Commons. And the quick hop, skip and jump through this is she kept coming back and she kept being defeated. The defeats were a bit lesser each time, but when you put it, you win or you lose. So, she always lost.

Then she got a really bright idea. And all I'm going to do, I want to talk to the opposition about sorting out the deal. And why would you think, well, wouldn't that have been a good idea at the beginning? Because when we were up here at the road sign, which said leave or remain, we were kind of balanced. Some wanted a bit more to leave, so let's respect it. Can we figure out what's the destination would have been. A good question, but they never did that. And so, you had a divided cabinet, a divided parliament, a divided country, a disunited Kingdom—Scotland wanted to stay, Northern Ireland wanted to stay, and all those things are kind of bubbling away there still under the surface. And this was the hand she had. What a disastrous hand to play.

Article 50 – No negotiation

COX: Now I'm going to take this little flag for a minute and we're going to go to Brussels and to the European institutions. They have to deal with this. Mrs May will say for six months, because she didn't know what to say, Brexit means Brexit. And if you're stuck for something to say, it's as good an ambiguity as the next thing. And the European Union had something to say. They said no negotiation. That's the letter Article 50, you're going, no negotiation.

So, the EU was saying to Britain, don't go around to talk to the Ambassador from Finland or the Ambassador from Austria looking for favours. We're not talking to you if you don't send in the divorce letter. And so, the divide and rule logic—of let's do separate chats and deeds—never worked. And so, they said we're not doing that, you send in the letter and then we'll talk to you. But, meanwhile, they weren't stupid, they began to line up all the ducks in a row. And so, the European Parliament, the negotiating team of the commission led by Mr Barnier, and the European council all came up with the rules and the resolutions, and there wasn't a millimetre of difference. They were coherent, they were consistent, and they were constant. And they were one negotiator for 27. And they were wholly unified in the sequence, in the content and in the purpose. Now you go figure which side of that table you'd like to be sitting on for the negotiation. And this was a big problem, and that has confronted us all along.

Johnson becomes PM: No deal

COX: Then Boris Johnson, of course, got the dream of his life—Mrs May to step down, the things didn't work -- and he came to Downing Street, and the genteel civility of Downing Street under Mrs May, who had that style of the conservative tradition, was replaced by the guy whose first press conference his own colleague said, "I'm the dude."

And so, the dude was now at Number 10, and he was going to do what "duding" does—whatever it was. And at the beginning, he wanted to play a bit cute because he had a difficult conference coming up and he didn't want all the natives to savage him by prematurely playing his hand. But he did say—no deal is perfectly acceptable for us, and we're going to put no deal on the table and we're going to teach those European guys if you don't get serious and give us what we want, we're going to leave with no deal, and just imagine how bad that would be. And it wouldn't be great.

Seen from Europe, I think this looked a bit like a guy saying: "You know what? If you don't do what I want, I won't shoot myself in the heart, I'll only shoot myself in the head." So, it wasn't a very strong

bargaining strategy, although he perceived it to be leverage that would be worthwhile exercising. In Europe I think people thought well what the hell, who's going to shoot himself in the head.

And so, it didn't really work. In any event, the Parliament said you can't do that. And the one thing they could agree on was to have a vote to say we don't want no deal. So now we had something, thank God! There's something really happening. There's one thing we don't want, and we all agree—what, we don't all agree but a majority agrees. This was a serious breakthrough.

Johnson suspends Parliament

COX: And then Mr Johnson got the bright idea: bugger the parliament, the government should rule. This is the British Constitution – the royal prerogative of what matters. It's there since the glorious revolution of William of Orange. We don't need this bloody interfering parliament where Mr Berco was getting a bit uppity. What are we going to do? Very simple. We're going to prorogue the Parliament -- there's a God-damn nuisance. The Parliament took a dim view of this, in the end there were citizens going to court. Which court did they go to? The European Court of Justice certainly not—bad karma. Takes back control. So, under the unwritten British Constitution with the British Supreme Court, the British Supreme Court interpreting the precedence and jurisprudence of Britain's unwritten constitution—of which there is much written—by 11 to zero, no written rule said unlawful and void.

Thank you very much. And the Prime Minister, who wants to bring back control, and the head, the leader of the House of Commons Mr Rees-Mogg—they comment on it: 'Mr Rees-Mogg, bring back control, get rid of the nasty Europeans, let Britain decide for itself with its own constitution, with its own judges in its Supreme Court'—says what?

Constitutional coup. So, bringing back control is a bit difficult sometimes because the judges are uppity -- they don't do what they're told. And Boris Johnson went to the Parliament and said this was something that he just didn't agree with, which is good for a conservative Prime Minister to absolutely dismiss the highest constitutional court in the land, interpreting what: his own constitution. And so, he lost, he had to have the Parliament and they start back.

New deal negotiations

COX: And there's lots of various meetings, and then the conservative party conference is over. And he met with the DUP, and he said to them: no British Prime Minister, who is a conservative, would ever think of putting a border in the sea. It will never happen.

And then when the conference was over, he made a statement to the Europeans. He said I want you to get rid of the backstop and I want to get rid of us being in the customs union. And it dragged out a little bit, and then our Irish Taoiseach Leo Varadkar went to meet him outside Liverpool, and they shook hands on the outline of what a deal might look like, and then they went back and they met Mr Barnier, who got a mandate the day after on the 11th of October of this year to negotiate and on the 17th of October a few hours before the summit meeting—do or die et cetera—they have a deal.

Now this deal is a big fat deal because it's a piece of law, and there's about 450-500 pages on the European text. So, what changed? When more than 400 pages of the same 400 pages of Mrs May—because that was never discussed—and the bit on Ireland was changed into a new Irish protocol. And it took away that Britain would stay in the customs union, which was Mrs May's way of avoiding the hard border.

And what did they go to? The thing that gave you indigestion at lunch on the 4th of December of 2017—to have a border in the sea. So, it was kind of Back to the Future with a few knobs, but essentially Back to the Future. And fellas, commentators, we've got to say: no, it's not the backstop

now. It’s the front stop because you’re stopped on the way in. So, I have to say, but it's not a backstop anymore and that's gone, and there won't be the customs union.

A majority win

COX: And Boris then comes with his periods, to the parliament, and I think whether it was exhaustion or exhilaration, he wins a majority on the second reading to say: in principle, we have a majority.

Who voted? The conservatives voted (those are the ones that he had left that hadn't been expelled or hadn't done something else); the Labour leavers, who were the hardline leavers voted with them; all the Brexit Bolsheviks who wouldn't vote for Mrs May voted with them; and a few of the Tories, who’d been thrown out, came back and voted with him, and he got a majority. And then he had the bright idea: He looked at the thing and he said, you see this withdrawal bill? It's a great big salami. Eat it in three days or else. And the parliament said, we’d get indigestion. We couldn't do that. It's the biggest piece of legislation in several decades. Its implications are massive. We can't have that and we're not doing it.

And they end up having the election instead and that's where we are. I don't want to predict the election ’cause it could go any which way possible. And so, the reason why we gave you a false premise about after Brexit, ’cause it didn't happen. I'm going to finish, just with a little piece of what might happen. This is not about the who wins the election.

Hypothesis 1: If the UK continues to mirror Europe, trade openness will remain

COX: Let us suppose someday, someday we come to a point where in the end the divorce deal is done. So, let's just get there. I mean it might take weeks, might take months, might take years, it might be over quick. We don't know. And when we get there, let's think of the phrase and the election. Let's get Brexit done.

We got there and no, let's go back and do a lovely phrase of Winston Churchill who told us, who told the British public at one stage, you know early in the war. He said, it's not the beginning of the end. It's just the end of the beginning. So, we’re at the end of the beginning, if we do all of that and then we are at the beginning of the end, which is the next bit, which is as far as the future relationship.

And here are the tricky bits. So, we can do all this now. Kind of tricky bits 1-0-1. We’ll do the postgraduate problem the next time we come back. Tricky bits 1-0-1 is fairly straight forward. The more that the British rule book, (which is today the European rule book cause we're all the same), stays aligned to the European rule book, the lesser the problem, the quicker the speed, the greater the openness to all the trade each way. The more political chooses or signals that wish to divert to the rule book, the more complicated it gets, the longer it takes or ultimately less access you have.

And that's where all this is ultimately going to end up. And in all of that, where does it ultimately go? I mean, it's the direction of travel. I know it's a bit like the leave sign. I don't know the destination yet, but I know the direction we'll go. The EU was starting with a phrase, what would the EU really like?

Zero tariffs, zero quotas, zero dumping. I.E., don't go out and chisel that undercoat and then expect to sell it. Zero dumping is the hard bit. So, we don't know. What we do know in the end: the greater the alignment, the greater the access and ease, the less the alignment, the greater the difficulty. And so, expect whoever it is in the government and whatever they want to do, and assuming that some moment the divorce bit is finished, and they think of the future whenever they get around to this, they have a transition period until the end of next year.

Hypothesis 2: Johnson may not seek further extensions

COX: That's the period when you can, in principle, do all this. Most likely in practice, you won't get it all done. So, watch this space for next June or July for the new deadline debate of the Brexit that is already done, (which it isn't), is do we ask for a transition or do we not? Which is do we ask for an extension—Is the language today you say, do we get an extension? We've got lots of extensions. The next is we asked for an extension of the transition deadline. So, all the drama we had just moves camp up the road to the transition deadline away from the extension deadline to do a divorce. And we'll see where all that goes.

And it could be, I'm not saying it will be, it could be that then Mr Johnson comes back with the gun and puts a few bullets in and says, if we don't do by the end of this year, I might pull that trigger. Because… this week, can you solve this? I've lost all sense of time since I came to Australia because of the back and forth… Sometime in the last number of hours on Sunday in Europe, Nigel Farage gave a speech and he said the Brexit Party, which was thinking of a contest everywhere, is now thinking of not contesting everywhere. It would not contest the 317 seats, the conservatives won in the last election. But we will contest the Labour leaves seats.

But the good news for Mr Johnson is part of the Brexit Party monkey is off his back. And Mr Farage who let the air out of his tyres is now not driving on the conservative road because it's a bit bumpy and he doesn't want to upset his car because the tyre pressure has been released and he's stuck there withdrawing because he was fighting you with these things into a space that was very not Nigel Farage.

He was kind of naked, but he indeed covered all the essentials. He did have a little fig leaf, and the little fig leaf that Nigel had was a little visual Twitter from a certain Mr Johnson who was the Prime Minister who made no deals about any of this, who said, I am telling you as the Prime Minister that the next step we're going to take is we're getting out. Definitely.

He didn't say do or die, but I'm sure he meant to say it. He just forgot. Okay. We're getting up to after the 20th of December, the 30th of December we're at the end of 2020. We're definitely getting out and if there's no deal done, we're getting out with no deal. So, it's kind of coming in back to the table, maybe or maybe not, because maybe Mr Farage can keep this thing here and cover the essentials in his naked withdrawal.

Or maybe, just maybe, Mr Johnson was telling him a few porkies like he appeared to tell the old state union, and this is a few months early, so we don't know. And so, I want to stop there with a big don't know. I don't know, you don't know, we don't know. And that's the end of the talk.

[APPLAUSE].

Questions

PARKER: I think that was the most comprehensive explanation of Brexit that I've ever heard, so thank you once again for that. Pat has agreed to take questions. We do have some microphones here. If I can just get an indication of say the first three questions. We'll just start with three there. If you would please introduce yourself.

Question 1: Will the UK break up?

MARK KENNY: Hello, I'm Mark Kenny from the Australian Studies Institute, here at ANU. Given the very dramatic way you ended that talk, and I thank you for it, with a whole series of don't knows, I'm going to ask you about another, uh, 'don't know'. Um, I'm not going to go to whether there'll be a second referendum, which seems to be contingent upon a later victory in the election. But perhaps go even further and look further into the future. What do you think the implications are for the UK?

Out of all of this? Uh, particularly, uh, in the case of Irish reunification, uh, and also obviously for the, uh, the, you know, quite strong signals coming out of Scotland, have the Tories, uh, the great conservative force of British politics, essentially presided over forces which will result in the breaking up of the UK, not just the breaking up of their relationship with the EU?

Question 2: United Ireland?

MALE 1: Yes. Hello, Mr Chairman. Mr court. This is a bit of a hypothetical. The Good Friday agreement, or the Belfast Agreement, says that the people from Northern Ireland can be Irish citizens, British citizens, or both. In view of the common agricultural policy, where the farmers and fishermen of Northern Ireland, and I could include Scotland, but we'll stick with Northern Ireland, would lose 40 odd percent of their income, does this mean a ground swell change in attitudes? Um, you know, before future elections because of farmers and fishermen losing 40% of their income. Um, would this lead to a united Ireland, maybe not next year or the year after, but 10 years time maybe? With a view that a lot of homework will have to be done to protect the unionist culture and tradition in united Ireland? Thank you.

Question 3: UK = Singapore?

H.E. LARS BACKSTRÖM: Thank you, the Ambassador of Finland. My question is, when you look into your crystal ball and you see a United Kingdom being the Singapore of Europe, low regulation, low taxes, and how devastating would that be for the European Union? And the other question is, on Scotland, do you see an independent Scotland?

Question 1 answer:

COX: Well, these questions are too easy. You should get someone else. I have to go now. Um, it's, it's really good to be asked a question about something I know nothing about. So, um, that's a good point of departure. Um, Mark's question, which is very interesting, is about the future of the UK. Let me just say about the future of the EU. I want to say absolutely, seriously, no joking, anything: I think this is really sad. I deeply regret it. I think it will diminish the European Union. I think it will diminish the United Kingdom. I think it is a lose-lose situation and smart people should never do lose-lose, but that's where we are.

Britain is the fifth largest country in the world, economically and nominal GDP. Permanent seat on the UN security council, an active and respected member of NATO, a wonderful diplomatic system, et cetera, et cetera, et cetera. It has been a productive and positive member of the European Union, ok sometimes a bit awkward, but all our families are sometimes a bit awkward.

So, all those things were there and unhappily they're ruptured. Now hopefully they're not ruptured to the point that we can't do some running repairs and really have a good relationship. And for Ireland that really mattered. Because we are very connected linguistically, culturally, economically, socially, the Northern Ireland thing and so on.

But your question was about the future of the UK. I suppose my working hypothesis, you know, you lay down something and you build on it. My working hypothesis is that the UK’s fragmentation from the European Union, carries a high ultimate risk of a double fragmentation, which includes the disintegration of the Union itself.

I think they have a disunited kingdom, which has a higher political risk of actual disintegration now than at any time in my lifetime, which is a scenario. It's not a prediction. These things are too complicated, but in a kind of a way, sometimes stuff happens now, and it's much later when you catch up with it, but something has happened and there's something that's happened.

We don’t use the word in English, but the French verb, you know, when something is fragile, it is *fragiliser,* it has become more fragile. And this *fragiliser* element of it, I think is very real. You're Scottish. Um, I'd pick up the Scottish question. It comes, um, twice into that. Scotland, we know had an independence referendum, and in the end, uh, the, the majority decided to stay with the United Kingdom.

In the referendum on staying or leaving in the European Union, the majority in Scotland voted to stay. The Scottish administration feels ignored and unrepresented and unlistened to by Westminster to do with the article 50 process. And so, there's a sense of grievance, and I don't need to tell you in politics, it's an easier thing to exploit as a sense of grievance than a sense of contentment. So, all that stuff is there.

The second element in this, is that Scotland -- and Mrs Sturgeon has played it really well to do with the politics of this—has an influence running the next parliament. So, imagine a scenario that there's some kind of a coalition in which the SNP was a player.

Their price will be, well maybe many prices, but the key price would be, we want a referendum, but we want it to be constitutional. We want to, under the British Constitution, that the House of Commons will have a vote to enact a law that validates the holding of the referendum and that it's not a kind of a UDI, unilateral declaration of independence.

Now, why would they want to do that? But that's because they respect the constitution, but they know one other big thing that if you want to join the EU, because let's say in this scenario, the UK left, Scotland’s in the UK, therefore Scotland left. Now, hypothesize Scotland has a referendum and they decide to leave the UK and as its counterpart, they decide to join the EU.

To join the EU, in case you don’t know the road map, article 50 is getting out of the bed. Article 49 is getting into the bed. So, article 49 you apply, you say we want to join. What does the EU do? They do lots of consultations and the ambassador and all their friends get really busy with this stuff, and then you need unanimity, every state inside the Union and that means 27 others have to say yes, to give you the right to have the status of being a candidate state. This doesn't mean you’re in, just when you have the status that you could get in.

And you see, I don’t want to dwell on it, all the problems with Catalonia and the Spanish constitution and the unitary stage, there are sensitivities.

They're veiled or political and powerfully political in some places. I'm not saying it won't happen. It will happen, won’t happen, I don't know. What I'm saying, is it’s not an open and shut case. So, Mrs Sturgeon’s strategy of seeking to constitutionalism a potential Scottish departure is laying a foundation to seek to argue a differentiated case from Catalonia or other such cases by saying, hold on a minute. Everything we've done is entirely consistent with the UK constitution and more over validated by an act of parliament. So, there's a long game up and that's part of the process and we don't know where's it all going to go. On Northern Ireland? The same question. So, to come back, farmers losing subsidies and fishermen and all the things…

Question 2 answer:

COX: This is a little aside, this has nothing to do with your question. You remember, I'm sure they showed it here. Boris Johnson’s red bus, all the money from Europe it wasn’t going into Europe it was going into the National Health Service. And there were big numbers on the side of the bus, how much more money was going every week or every month or whatever.

All the money, that Britain pays into the EU budget, because they pay in and they get back, so the net thing they pay in is a lot less than they pay every year to subsidize Northern Ireland. So don't get

too exaggerated with it as to how big it was. It was big enough to be smaller than the amount they subsidized Northern Ireland every year with British transfers. And that's important. Just to put a proportion on that thing.

Given the issues about uncertainty with subsidies and farming and fisheries and all, there's simply an element in the bigger question. I think your question's good, but there are elements in the bigger question about would there be a drive to Irish unity or not?

So, what are the rules? We come back to the constitution and roads. The Belfast Agreement resulted in the constitution of the Republic of Ireland being changed. And we removed from our constitution a notional territorial claim that Northern Ireland was really part of Ireland. And we replaced it with a kind of a hearts and mind consensual building necessity to have some form of Irish unity in the future.

And you're right, it would need reflection, care, retention. Bring people along. Not step on people, not off for crude majoritarianism. Not decide that 50% plus one rules, and bugger the 49% minus one or 50% minus one that won't work. It's too deep. It's too difficult. It's too complex. So, we need to let it breathe and … is my view.

Some people would like to push the button and hit the accelerator. Now that might be good politics in their camp. But I think it's bad karma to do with the big issue and you're dead right in your focus. We need time and so on to do that, but will it happen? Again, I don't know. I don't predict it's imminently happening, it could happen in 10 years.

Who knows? Indeed, it could. All I think is that the likelihood that it could happen, not well could happen, the likelihood has gone up. Because of the complexities and residual effects of the Brexit debate.

Question 3 answer:

COX: Um, we've done the, okay, the UK, we've done, uh, Scotland, the crystal ball, Singapore. My crystal balls are not so good today.

Um, I don't know. This is the fear I have to say. No, it's not what Britain wants. We don't know, but let us say, for example, so let us say Mr Johnson was the Prime Minister and he wants to do a deal with President Trump. And what about the quality of the substance of the deal? The verbals that will accompany the deal will be great.

It will be the greatest deal, the biggest deal, the best deal. It will be bigly successful because that's what these guys do, this stuff, and they're very good at it. The problem: even though the UK was in the EU all these years, you might think oh my God you're right, you know this European monkey sat at their back if they didn't have the monkey in the back they wouldn't have done so well, the transatlantic trade deal would be blinding you -- can I tell you in the last four decades, the level of trade, foreign direct investment, what their guys' companies hiring our guys and our home base, the level of intra company trade, the level of services trade and goods trade between the European Union and the United States has exploded. And who won the European Union gold medal in the explosion? The United Kingdom. And if you already won the gold medal at the Olympics, can you win a better gold medal? No.

And so, when you think about it, you already won the gold medal. So, what's left to win? But Mr Trump, on the other hand is a transactionalist, mercantilist type who wants to screw a good deal. I do deals. I wrote the article thing. I heard him once in the campaign in the United States. I was out there giving lectures in California, and what was he telling to a group of evangelical students?

He held up the Bible, misquoted some chapter, but that, you know, the Bible is complicated and he said, he said. You know what, I wrote a book, the Art of the Deal. It was very successful. Got one here for, you know, everyone in the audience here today. It's the second best publication since the Bible.

He's a modest man. If we have to, you know. And they would bring their characteristic modesty to selling this. But the truth is there's not a lot left unless Mr Trump gets a great deal to sell chlorinated chicken, which the British don't want to eat, GMO modified food, which they don't want, hormone treated beef, which they don't want, selling expensive US pharma to the US national health service instead of the current system, which they don't want, but who knows.

So, if they go down that road, they've got to pick where do they want to point? Do they want to point that way towards America or somewhere to Singapore or towards Europe? Where does their bread butter today? More of it is buttered with European butter, because that's where they do most of their trade.

And let me tell you one big, this is a secret, so I don't want this to leave this room: (UNCLEAR). This is the new big thing. We're not leaving Europe. Great. What'll work though? The old Imperial post-imperial energies. The surge is coming. We're going for global Britain. A lot of you have read Hans Christian Anderson or your mum or dad read you when you were a boy or girl and you know the one with the guy with no clothes? The emperor. In this case, he got a lovely Armani suit, there's a nice crease in his trousers but underneath there's not a lot to see. He's coming all over Britain, it's a lovely suit, and it's going to be the future. And we discover, we woke up one morning, shave … look in the (UNCLEAR), jeez we can't wear this there, when did we discover that … (UNCLEAR) … Great Britain, wonderful future. The Commonwealth has 2.4 billion people! And we're going out there and we're doing uptake. Half of them, a little more than half, live in India. This is the secret: there's a House of Commons (UNCLEAR) on the British trail. The Republic of Ireland, the ambassador representing here, has a quarter million people and it buys in value terms 475% the value of British exports to India. Nearly five times more. Five times more. And People's Republic of China, which is not in the Commonwealth (for now) the People's Republic of China, we buy one- and three-quarter times more.

I should, I know I should look at the traffic because we're buying all those things and we have to eat them or dispose of them some way. But there it is. This is the reality of global Britain, that the guy next door, if you look, you could miss him he's so small, buys more than two of the most populous countries in the world.

So, I would say, think about it. If you think these things matter. So, the Singapore stuff, I wonder because at the end of the day, what if you reduce labour standards? I'm not insulting Singapore, I know too little about it, but the analogy being you throw the standards out the window. What if you forget environmental standards? What if you pump money/state aids into things because you can cut something somewhere else? Is that the formula for success in Britain? Is that the formula that would be politically acceptable in Britain for British people? We think of it, I think probably not, but that's their business, not mine.

So, a lot of this stuff has been too much wishful thing. Nostalgia, wishful thinking, dodgy data. You know, we'll discover the Commonwealth and say loads of stuff. We discovered the guy next door buys more. If, if we look at our own statistics, all that is there. And in the ideal world, people would follow the evidence, follow the numbers, and follow the force of reason.

But we all know we don't live in the ideal world. Sometimes.

PARKER: One last question here because I'm just keeping an eye on the time.

Question 4: Will other EU countries leave?

MALE 2: If the Brexit deal goes ahead, is there any likelihood that other countries in the EU might hold referendums and also depart? Would it be contagious, or was the Brexit sentiment just confined to the UK?

Question 4 answer:

COX: Hmm. I think if you asked me, is identity politics and populist politics confined to the UK and the Brexit vote? The answer is no. We have various forms of it in various places, including, I dare say, far away from the European Union, and so there's something in today's politics and zeitgeist and system.

I mean, we can't explain Mr Trump being elected because they don't like the European Union. But some of the reasons to explain Mr Trump being elected are like some of the reasons to explain Brexit. And so, something bigger is there. But the tight answer to your question, cause people were confronted with this in effect, whenever the EU sat down, I can tell you, I mean straight up, I was shocked with the result, not because it couldn't happen. Of course everything can happen. Uh, but I was shocked because I figure, you know, in the end there's a well of common sense, the Brits are full of common sense. And yeah, they'll have a big debate, but you know they're going to, going to hang in there. I was wrong. And that's why I could be wrong about everything else I say today, so treat everything I said with great caution.

But loads of guys were wrong. David Cameron was so wrong he left politics. He didn't just leave office and EU was confronted with this. Nigel Farage says, well, Ireland will be next and then there will be loads. Italy with Mr Salvini, France with Mrs Le Pen, Hungary with Mr Orbán. And so, this could be a real question that they were confronted with. And you know we're a difficult family we have lots of rows with each other as Europeans and we shout at the table sometimes at each other, and our manners are not very good, but we're still at the table because when it came to the big choice, are you going to kick each other under the table and grab shares that aren't yours and fight over it maybe, yes, but you want to be at the table.

And so, the EU unity I answered about earlier is the answer to your question. The answer was maybe we'll fight like cats and dogs about immigration and monetary union and Nato and the budget, well, we fight at that table. We're not for leaving. And two things happened. One is that people talked and said, well, domino effect, we're not having it, we're staying at the table. And two was the Europe Barometer measured what do our people think, well with the exception of Cyprus, sorry, not Cypress, excuse me, with the exception of Greece for the reasons you can guess, Greece has been pasted economically and so on. Every stage of the Union, the popularity of the Union shot up. In my own country, it went back to heights that we'd only seen before we joined. So, I tell you what it did, it made us wake up from sleepwalking because we were in it, and we were taking it for granted.

Do you know what? Don't take it for granted. It's a bit like your friendships or your marriage, if you don't do a bit of work on it, it might just wilt and die. And it's been a big wake up call for all of us that if we really like this relationship, we've got to try a bit harder, and that's probably a good lesson to learn for all of us. And thank you.

[APPLAUSE]

Other speakers' closing remarks

PARKER: Well, I'm sure you'll agree with me that, uh, Pat Cox has given us a very insightful, benefit of his expertise, his knowledge, and his astute insights into the EU and Brexit. And we particularly

appreciate your openness, in your answering the questions that we have. I just wanted to invite my colleague Anne McNaughton to give a vote of thanks.

ANNE MCNAUGHTON: Mr Cox, thank you very much for this tour across what's happened in recent times in relation to the EU the UK and Ireland. As someone who's been immersed in this area almost 24/7 since the referendum, down in the weeds, you can lose sight of the bigger picture and you've encapsulated that remarkably well, if I may say, and been a real boon, I think for everybody here to have a starting point for the issues that continue to confront the United Kingdom, Ireland, the other members of the European Union, and by necessity for the rest of us, but those of us who are concerned with the future of the EU, of all its member States, currently speaking, but also for the global stability, which is necessarily impacted by the events that are taking place in the United Kingdom at present. So, thank you again very much for sharing with us your insights and particularly the, uh, the visuals which I am going to be unashamedly adopting. The remain and leave sign posting and where we're going to go it's the best explanation I've heard to date about the European economic area, the customs union, and the agreements in relation to that. We have a small package that I've no doubt the ambassador will surely send on for you because packets are always weighty in suitcases, but just a small gesture to say thank you very much, again, from our Centre as well, and we hope to be able to invite you back again and to welcome you at some future time again. Now, would you please join me in thanking [DROWNED BY APPLAUSE].

PARKER: Before we adjourn for afternoon tea, I'm sure you'll appreciate that such events like this don't just happen. An awful lot goes on behind the scenes and I particularly want to thank my colleagues: Dr Kasia Williams, uh, Elizabeth Buchanan, Anne McNaughton, and of course, the esteemed ambassador from Ireland and his fabulous team, at the Irish embassy, and particularly Harriet Sexton Morel and Elizabeth Coyle, who have always been a delight to deal with for their professionalism and good humour, I have to say. but I do know that the ambassador would like to say a couple of words before we break for tea.

H.E. BREANDÁN Ó CAOLLAÍ: I wanted to thank the ANU Centre for European Studies for this opportunity, to give such a brilliant speaker an opportunity, to both an Irish voice to these incredibly important issues that will have such an impact on the future of the European Union and Ireland in particular. I also want to recognise my colleagues in that community, but particularly my colleagues from the European Union, I want to say publicly, what I said to them at another event this morning: the incredible solidarity that Ireland has seen from the European Union is proof of the principles that Pat and people like Robert Schumer and Spinetti and all the other great founders of the European Union. We literally experienced that. So I wanted to publicly say that on the record, and again to thank Rita and Dan and all here at the Centre, and last but not least my own colleagues, four of them over here from the Embassy who work day and night on these issues, and I deeply appreciate their work, their support for me, and for the art of the discipline.

Please enjoy the rest of the afternoon. Thank you again for support. And don't forget Ireland is staying in the heart of Europe. So, when you were looking for someone out here in business…

[APPLAUSE]

PARKER: Please join us now in the courtroom for afternoon tea, and I'm sure Pat Cox is very happy to engage in more conversation. Thank you.

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