

*Boris Johnson's top Brexit negotiator David Frost gave a major speech at ULB Brussels University on Monday evening where he set out the British government's plans for a UK-EU trade deal. This is an edited transcript of his speech:*

Thank you much everyone for that very kind introduction. It is a really huge pleasure to be here at your university. I would like to say thank you also to the Institute for hosting me, and your distinguished President, Ramona Coman, for being kind enough to host me here tonight. Your institute here has really made a huge contribution to the study of European politics and European integration – and long may that continue.

My aim tonight is to try to explain a bit better why people like me think as we do – how we see the world and why we think Britain is better off out of the European Union.

And I want also to give you a bit of insight about how that might influence the British positioning in the negotiation that are to come.

Let us go back once again in history, though this time not quite so far as to Charles the Bold. Instead, to the title of my lecture: Reflections on the Revolutions in Europe.

So in 1790 Edmund Burke, one of my country's great political philosophers, wrote a pamphlet that is justly famous, in the UK, in any case, called 'Reflections on the Revolution in France'. And my title echoes that tonight. It is not just history, that work is highly relevant today and indeed lots of modern British conservative politicians who would consider themselves to be intellectual heirs of Burke.

Tonight I want to give you some reflections on the revolutions, plural, in Europe – because I actually think we are looking at not one revolution but two revolutions, both in government and simultaneously.

So, the first is the creation of the European Union itself – the greatest revolution in European governance since 1648. A new governmental system overlaid on an old one, purportedly a Europe of nation states, but in reality the paradigm of a new system of transnational collective governance.

The second revolution is of course the reaction to the first – the reappearance on the political scene not just of national feeling but also of the wish for national decision-making and the revival of the nation state. Brexit is the most obvious example for that, but who can deny that we see something a bit like it in different forms across the whole continent of Europe? I don't think it is right to dismiss this just as a reaction to austerity or economic problems or a passing phase, or something to be 'seen off' over time. I believe it is something deeper. Actually, I don't find it surprising – if you can't change policies by voting, as you increasingly can't in this situation – then opposition becomes expressed as opposition to the system itself.

Brexit was surely above all a revolt against a system – against, as it were, an 'authorised version' of European politics, against a system in which there is only one way to do politics and one policy choice to be made in many cases and against a politics in which the key texts are as hard to read for the average citizen as the Latin Bible was at the time of Charles the Bold.

So, I want to explain why I moved in my own lifetime, my own professional experience, from supporting the first revolution that I talked about to moving to support the second.

I want to begin my explanation by turning back to Burke. He had a very particular attitude to government. In 'Reflections' he wrote:

*'The state ought not to be considered as nothing better than a partnership agreement in a trade of pepper and coffee, calico or tobacco, or some other such low concern, It is to be looked on with reverence... It is a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection.'*

This is of course exactly how the EU began in a way – 'a partnership agreement in a trade ... or some other such low concern', not of pepper and coffee, but coal and steel, and then much more.

The question is – did it make the shift, did the EU make that shift to being 'looked on with reverence... a partnership in every virtue, and in all perfection?'

Well, I think in much of Europe it arguably did, in a way. Coal and steel were the engines of war; and the sources of power and resource. Managing them collectively meant that, on the European continent, doing this had more profound political implications straight away. It was a noble project.

And post-war British leaders such as Attlee and Churchill certainly understood this but didn't feel the same moral force behind it as people in France and Germany.

But in Britain, I think the answer is different – it didn't, the EU for most, make that shift. I think Burke understood why. Burke's argument was essentially that the abstract foundations of the French Revolution ignored the complexities of human nature and of human society. The state, to Burke, was more of an organic creation, entwined with custom, of tradition and spirit.

I think in Britain the EU's institutions, to be honest, never felt like that. They were more abstract, they were more technocratic, they were more disconnected from or indeed actively hostile to national feeling. So in a country like Britain where institutions just evolved and where governance is pretty deep-rooted in historical precedent, it was always going to feel a bit unnatural to a lot of people to be governed by an organisation whose institutions seemed created by design not than by evolution, and which vested authority outside the country elsewhere. I think that is why the slogan of the Leave campaign in 2016 'Take Back Control' became such a powerful slogan and had such resonance .

Now if I am honest, much of this still does not seem to me to be understood here in Brussels and in large parts of the EU. I think one of the reasons why people here failed to see Brexit coming and often still see it as some kind of horrific, unforeseeable natural disaster is that – like the meteorite that wiped out the dinosaurs – is at root, they were unable to take British euroscepticism seriously, but saw it as some kind of irrational false consciousness and fundamentally wrong way of looking at the world.

I think that is also why so many commentators seem to find it odd for someone of my background to support Brexit. I recognise I am unusual in doing that. Media profiles regularly say I am 'one of the few Brexit-voting diplomats'. (Actually, there are a few more of us, but it's not for me to identify who they are!)

Even last month, a former Perm Rep, a former British Permanent Representative in Brussels and one of the architects of the constitution and the Lisbon Treaty, Lord John Kerr, whom I worked for for many years and for whom I have huge respect even though I am profoundly disagreeing with him, said in the *Financial Times* of me ‘that he’ll be extremely diligent in doing what he is told’, as if no member of the UK foreign service could possibly have the same view of the European Union as our current Prime Minister without having been instructed to do so.

In real life my story is completely different. I began my time in Brussels in 1993, as, I guess, a typical pro-European. That view did not long survive my exposure to the institutions here in Brussels and I rapidly became a persistent private critic of them. Yet in public I had to spend most of my life in the Justus Lipsius building, or if not there in the FCO’s Europe Directorate. I spent a number of years in both. I wasn’t the only critic of the union – I recall a secret drink in 2005 with a couple of colleagues in a Foreign Office back room when the Dutch voted against the European Constitution – but it was definitely a minority taste amongst my colleagues. In short, I too was experiencing in daily life a form of cognitive dissonance if you like about the value of my work. It was this that eventually drove me out of the foreign service in 2013 – and then back as an adviser to the now Prime Minister in 2016. Returning once again to lead the Brexit negotiations in 2019, it was a relief to be able to be clear about what I thought and to have a government that was aligned to it – and for me, to help finally take the UK out of the EU too.

My doubts about British membership of the EU came principally from the fact that I could see Britain was never going to be genuinely committed to the project of turning the EU from a ‘partnership agreement in trade’ to an ‘object of reverence’. Indeed, not only were the EU’s institutions abstract and distant in Britain, we were never really in my view committed to the same goals at all.

Some people try to question this now, and argue that Britain had in many ways found the sweet spot in the Union – the ideal mix between economic integration and political absenteeism – only to then carelessly cast it aside in 2016 without really thinking about it. I don’t think this is entirely realistic or entirely fair. Instead, I think Britain was more like a guest who has had enough of a party and wants to find a way of slipping out. By 2016 we had already found our way to the hallway without anyone really

noticing at the party. It was only when we picked up our coat and waved goodbye that it felt like people said ‘oh, are you going?’ as if they hadn’t realised what had been happening.

The tactical problem with this approach was obviously time-inconsistency: so nobody knew whether a deal with Britain would stick or whether we were really willing to invest in the contacts and all the underpinning of relationships that make them work over time. The strategic problem was that it made it all too clear we never knew what we really wanted to achieve, other than stop other countries doing things that they wanted to do.

So given this background I actually find it bizarre that so many people can have told themselves some version of ‘Britain is winning the arguments’ or, I heard this quite recently, that ‘the EU is in many ways a British project’. It plainly is not and it is surely a genuine form of false consciousness to think that it is. Brexit is a re-establishment of underlying reality, in my view, not some sort of freakish divergence from it. And one reason why ‘Take Back Control’ as a slogan was so powerful was that that was part of it – we had clearly lost that control.

So much for the politics. What about the economics?

It’s clear that many in Britain, more or less unenthusiastically, went along with the EU for mainly economic rather than political reasons. It is this group who now fear the economic consequences of leaving. Indeed for many, it seems to be a simple fact, rather than a prediction, that Brexit is going to do economic harm. They include it seems Michel Barnier, who said in Belfast that Brexit was ‘always a matter of damage limitation’. I believe this is wrong and I will explain why.

There have been many economic studies of Brexit in the last few years, including famously the 2018 studies from the British government and from the Bank of England. The iron of those studies seems to have entered the soul of Britain’s political class, in a kind of distorted form. Speculative predictions about the economy in 15 years’ time have become in many minds an unarguable depiction of inevitable reality next year. I am reminded of Keynes’s remark that practical men who believe themselves exempt from any intellectual influence ‘are usually the slaves of some defunct economist’.

As you may have guessed, I would question some of the specifics of all those studies. This probably isn't the moment to go into the detail – maybe I will get a chance in the future to do so. But, in brief, all these studies exaggerate – in my view – the impact of non-tariff barriers, they exaggerate customs costs, in some cases by orders of magnitude. Even more importantly, they also assume that this unproven decline in trade will have implausibly large effects on Britain's productivity. Yet there is at least as much evidence that the relationship is the other way around – that it is actually productivity which drives trade. The claims that trade drives productivity are often, in fact, based on the very specific experience of emerging countries opening up to world markets, beginning to trade on global terms after a period of authoritarian or communist government – these are transitions that involve a huge improvement in the institutional framework and which make big productivity improvements almost inevitable. And I think the relevance on such experiences drawn from that for the UK, a high-income economy which has been extremely open for over a century, seems highly limited to me.

I also note that many Brexit studies seem very keen to ignore or minimise any of the upsides, whether these be connected to expanded trade with the rest of the world or regulatory change – often assuming the smallest possible impacts from such changes while insisting on the largest possible effects through changes in our relationship with the EU.

Finally, all of these studies imply to me a fantastic ability to predict the micro-detail of the economy over a long period which I simply just don't buy. There is obviously a one-off cost from the introduction of friction at a customs and regulatory border, but I am simply not convinced it is on anything like the scale or with the effects these studies suggest. In any case, we aim to manage it down as far as we can through modern customs facilitation arrangements – and I am convinced that other factors will outweigh it.

Indeed if we have learned anything on economics from the last few years, and in particular from the British economy's refusal to behave as people predicted after the referendum, it is that modern advanced economies are hugely complex and adaptive systems, capable of responding in ways which we do not foresee, and finding solutions which we did not expect.

So all this explains why the British government is confident in the strategy we have chosen. We are clear that we want the Canada-Free Trade Agreement-type relationship which the EU has so often said is on offer – even if the EU itself now seems to be experiencing some doubts about that, unfortunately.

If those doubts persist, we are ready to trade on Australia-style terms if we can't agree a Canada type FTA. We understand the trade-offs involved – people sometimes say we don't but we do – and we will be setting out in written form next week actually how we see the shape of the future relationship in more detail.

But I do not rest my case on Brexit entirely on looking at the numbers. There is a deeper point involved here once again.

I made the point just now that some of the studies of the benefits of trade were really studies of the benefits of good institutions and good politics. That, in my view, is where the gains of Brexit are going to come.

Some argue that sovereignty is a meaningless construct in the modern world, that what matters is sharing it to gain more influence over others.

So we take the opposite view. We believe sovereignty is meaningful and what it enables us to do is to set our rules for our own benefit.

Sovereignty is about the ability to get your own rules right in a way that suits our own conditions. Much of the debate about whether Britain will diverge from the EU I think misses this point. We are clear – and the PM was clear in the speech he gave at Greenwich in London that we are not going to be a low-standard economy. That's clear. But it is perfectly possible to have high standards, and indeed similar or better standards to those prevailing in the EU, without our laws and regulations necessarily doing exactly the same thing. One obvious example, I think, is the ability to support our own agriculture to promote environmental goods relevant to our own countryside, and to produce crops that reflect our own climate, rather than being forced to work with rules designed for growing conditions in central France.

I struggle to see why this is so controversial. The proposition that we will not wish to diverge, that we would wish not to change our rules, is the same thing as the rules governing us, on 31 December this year, are the

most perfect rules that can be designed and need never be changed. That is self-evidently absurd. I think we should dismiss the ‘divergence’ phantasm from sensible political debate.

I think looking forward, we are going to have a huge advantage over the EU – the ability to set regulations for new sectors, the new ideas, and new conditions – quicker than the EU can, and based on sound science not fear of the future. I have no doubt that we will be able to encourage new investment and new ideas in this way – particularly given our plans to boost spend on scientific research, attract scientists and make Britain the best country in the world to do science.

There are other broader advantages to running your own affairs. One obvious one is that it is much easier to get people involved in making decisions. Another, less obvious advantage, is the ability to change those decisions. My experience of the EU is that it has extreme difficulty in reversing the bad decisions it takes. Yet every state gets things wrong. That’s clear. Course correction is, therefore, an important part of good government. Britain will be able to experiment, correct mistakes and improve. The EU is going to find this much, much more difficult.

I am confident that these political economy factors really matter. In an age of huge change, being able to anticipate to adapt, and to encourage really counts. Brexit is about a medium-term belief in that reality that this is true – that even if there is a short-run cost, it will be overwhelmed rapidly by the huge gains of having your own policy regimes in certain areas.

It’s a personal view, but I also believe it is good for a country and its people to have its fate in its own hands and for their own decisions to matter. When I look round Europe, by and large it’s the smaller countries, who know they must swim in the waves that others make, that seem to have higher quality decision making – they can’t afford not to. Being responsible for your own policies produces better outcomes.

So, that is why, once again, we approach the upcoming negotiations in a pretty confident fashion. We aren’t frightened by suggestions there is going to be friction, there are going to be greater barriers. We know that and have factored this in and we look further forward – to the gains of the future.

Finally, that is also why we are not prepared to compromise on some fundamentals of our negotiating position.

One of those fundamentals is that we are negotiating as one country. To return again to Burke, his conception of the state was and is one that allows for differences, for different habits, and for different customs. It is one which means that our own multi-state union in the UK has grown in different ways across the EU – each playing unique roles in its historical development. It is actually rather fashionable at the moment amongst some to run down that state which has been very successful historically. We cannot be complacent about the Union in the UK, but I nevertheless believe that all parts of the UK are going to survive and thrive together as one country. In particular, I am clear that I am negotiating on behalf of Northern Ireland as for every other part of the UK.

A second fundamental is that we bring to the negotiations not some clever tactical positioning but the fundamentals of what it means to be an independent country. It is central to our vision that we must have the ability to set laws that suit us – to claim the right that every other non-EU country in the world has. So to think that we might accept EU supervision on so-called level playing field issues simply fails to see the point of what we are doing. That isn't a simple negotiating position which might move under pressure – it is the point of the whole project. That's also why we are not going to extend the transition period beyond the end of this year. At the end of this year, we would recover our political and economic independence in full – why would we want to postpone it? That is the point of Brexit.

In short, we only want what other independent countries have.

To underline this I want to finish with a thought experiment. Boris Johnson's speech in Greenwich a couple of weeks ago set out a record of consistently high standards of regulation and behaviour in the UK, in many cases better than EU norms or practice. So, how would you feel if the UK demanded that, to protect ourselves, the EU must dynamically harmonise with our national laws set in Westminster and the decisions of our own regulators and courts?

Now I assume, many in the EU would simply dismiss the suggestion out of hand. But perhaps the more thoughtful would say that such an approach

would compromise the EU's sovereign legal order; that there would be no democratic legitimacy in the EU for the decisions which the UK would take and to which the EU would be bound; and that such decisions are so fundamental to the way the population of a territory feels bound into the legitimacy of its government, that this structure would be simply unsustainable: at some point democratic consent would snap – dramatically and finally.

So however amusing and however tempting it would be for us to run these arguments in reverse, the reasons we would not do so and will not do so is that these arguments of our more thoughtful people on the EU side would have very significant force.

The reason we expect – for example – to have open and fair competition provisions based on FTA precedent is not that we are looking for a minimalist outcome on competition law. It is that the model of an FTA and the precedents that exist in actual agreed FTAs are the most appropriate ones for the relationship of sovereign countries in highly sensitive areas relating to how their jurisdictions are governed and how their populations give consent to it. So if it is true, as we hear from our friends in the Commission and the 27, that the EU wants a durable and sustainable relationship in this highly sensitive area, the only way forward is to build on the approach we want of a relationship of equals.

I do believe this needs to be internalised on the EU side. I do think the EU needs to understand, I mean genuinely understand, not just say it, that countries geographically in Europe can, if they choose it, be independent countries. Independence does not mean a limited degree of freedom in return for accepting some of the norms of the central power. It means – independence – just that. I recognise that some in Brussels might be uncomfortable with that – but the EU must, if it is to achieve what it wants in the world, find a way of relating to its neighbours as friends and genuinely sovereign equals.

So let me conclude. Michel Barnier said in Belfast the other week that ‘not one single person has ever convinced me of the added value of Brexit’.

So, Michel, I hope I will convince you when you read this to see things differently – and maybe even think that a Britain doing things differently might be good for Europe as well as for Britain.

And in concluding, I draw inspiration from three sources in believing we are going to get a good conclusion in negotiations this year.

First, we can do this quickly. We are always told we don't have enough time. But we should take inspiration, I think, from the original Treaty of Rome back in 1957. This was negotiated and signed in just under 9 months – surely we can do as well as that, as well as our great predecessors, with all the advantages we have got now?

The second source of inspiration is from President De Gaulle. I know that Michel is a great admirer of Charles de Gaulle. He probably doesn't know that I am as well. De Gaulle was the man who believed in a Europe of nations. He was the man who always behaved as if his country was a great country even when it seemed to have fallen very low and thus made it become a great country yet again. That has been an inspiration to me, and those who think like me, in the low moments of the last three years.

And the last source of inspiration once again is from Edmund Burke who gave a famous speech to the electors of Bristol in 1780. he urged his voters to 'applaud us when we run, console us when we fall, cheer us when we recover!' In 2016 we ran; in 2018, we fell; so cheer us now as we in Britain recover, and go on, I am sure, to great things.

Thank you very much.