

# Lord Frost speech: Observations on the present state of the nation, 12 October 2021

Excellencies, Ladies and Gentlemen,

A year and a half ago, in the days immediately after the UK finally left the EU, I went to Brussels to give a speech which attracted some attention at the time. I called it “Reflections on the Revolutions in Europe” – that was a deliberate nod to the Irish-British scholar-politician Edmund Burke and his critique, as regards the French Revolution, of what we would now call the hyper-rationalist creation of a new legal order in contrast to organic, custom-based change.

My title today – which is, for those who missed it, “Observations on the Present State of the Nation” – is a similarly deliberate echo of Burke’s first significant work – it was a pamphlet with that title, from 1769. In it he reviewed the economic condition of Britain and France, the two superpowers of their day, and first developed his thought that he developed in work subsequently, and I quote “politics should be adjusted, not to human reasonings, but to human nature ...people must be governed in a manner agreeable to their temper and disposition.”

That observation is particularly relevant to one very significant problem between us and the European Union – I mean Northern Ireland which I will come to. But I also want to develop it more broadly in today’s speech. Nearly two years after we left the EU, nearly a year after leaving the transition period, having delivered Brexit despite all the the predictions to the contrary, where do things now stand? What is Britain’s world view now? Where do we plan to take the country? What is the state of the relationship with the EU – and, frankly, what can be done to improve it?

You may wonder why I have come to Portugal to say this. Famously of course, Portugal is our oldest ally, and no British Minister visits Portugal without recalling, and rightly so, the 1386 Treaty of Windsor. But there is more to be said about that old alliance, and in saying it we see something about the present as well as the past. That’s because that alliance rapidly became part of a pattern, one that reflected geography and fundamental interests, and a pattern which is still relevant today.

I mentioned in that Brussels speech that I have a personal interest in the history and art of Belgium and the Netherlands, particularly Flanders. Indeed when I delivered it I was just about to visit a blockbuster exhibition about the great Flemish painter Jan van Eyck. He’s an interesting figure because in the 15th century, artists had to be diplomats too, and in fact, nearly 600 years ago, in 1428 to be precise, van Eyck was here where we stand in Lisbon en mission from the Duke of Burgundy to paint a picture of the Princess Isabella, daughter of the king of Portugal, João de Bõa Memoria – as the Duke

was interested in marrying her to cement his own alliance with Portugal. Actually amazingly, an account of that mission survives in the Brussels archives – I have a copy myself. It describes how the mission also stopped off in England – an ally of Burgundy as well as of Portugal – and then got stuck there for 6 weeks – clearly challenges for our transport infrastructure are not a new problem. Sadly, van Eyck's painting is lost, but the marriage happened, and we can see beginning to develop in this incident a web of maritime and Atlantic interests – England, the Low Countries, Portugal, and others that flourished in the years to come. Indeed that Atlantic perspective, an essential part of Europe's history, has proved remarkably durable over the years.

So that's what we now call geopolitics and that's why I am here in Portugal. Geopolitics has become important again. I am not the only one to make this point – your own former Europe Minister Bruno Maçães does as well – as of course does President von der Leyen herself. And now, as we look at Europe from the UK, now that we have left the EU and its rules, the geopolitics of Britain's position as an offshore island, with particular allies but global interests, come back to the forefront.

What are the implications for us?

In answering, I want to make five points. First to say that Brexit has changed our international interests and hence will change our patterns of European relationships – not necessarily fundamentally, but significantly. Second, that Brexit means competition – we will be setting a different path on economic policy. Third, that Brexit was about democracy – it is a democratic project that is bringing politics back home. Fourth, that the EU and we have got into a low-equilibrium somewhat fractious relationship, but that it need not always be like that – but also that it takes two to fix it. And fifth and finally, that fixing the very serious problem we have in the Northern Ireland Protocol is a pre-requisite for getting to a better place.

So let me take these points in turn.

## **How our European relationships will change**

First, self-evidently, our international interests have changed after Brexit. And so will has our pattern of European relationships.

Most obviously, we no longer have an interest in coalition-building across the EU to shape EU rules. Relative power within the EU is important to countries which are members of the EU – and not to those which aren't. Of course we will take a strong interest in what happens within the European Union. We want the Member States of the EU to be prosperous and successful. We will watch how you legislate and whether you can develop effective frameworks for new areas of economic and scientific activity. We look with fascination at debates that in some way echo ours, like that in Poland, Germany, and seemingly even now France about the role of the Court of Justice. But we cannot affect these outcomes except by example; and it would not be correct for us to try. That makes a huge difference to how we look at things.

In contrast, relationships with countries with which we trade directly – countries with maritime connections, customs practicalities, energy connections to us – are going to be particularly important in future. That means at a minimum that the whole Atlantic littoral, including Portugal of course, is going to be of renewed significance for us. That has already been very clear to us in some of the debates we've had since the start of this year.

So too are relationships with countries which are particularly central to our geopolitical aims and our alliances. That is because – despite the Indo-Pacific tilt and the broader perspective that Global Britain must and will have – the hard business of European defence, backed by resource, deterrence, by sharing of risks remains vital to us. Indeed that is why we are putting more money into defence, exceeding the baseline NATO target and reaching 2.3% of GDP this year. So Brexit will likely strengthen our interest in deep engagement with the traditionally more transatlanticist countries like Portugal, but also the countries in central and Eastern Europe that bear the direct burden of the pressure from Russia – which is why we take a particular interest in working with the Baltics, with Poland, and in new concepts like the Three Seas initiative.

It also means that, despite the very visible current difficulties, we will always look to have a constructive and productive relationship with France – Indeed, one of the reasons why we have such strong military ties with France is, I think in part, that we both hold a view that the defence of Europe also depends on our willingness to act beyond the Continent of Europe itself.

## **Brexit means healthy competition**

There is of course no contradiction between these deep relationships based on fundamental interests and pursuing our own prosperity in our own way. And that is the second point I want to make. I said just now that our influence on the EU now comes through the power of example, and hence also through a healthy degree of competition. Brexit is about doing things differently – not for the sake of it but because it suits us and because it creates a greater variety of alternative futures. History shows us that it is genuine competition – regulatory and commercial – between states which has typically been the most reliable driver of innovation and progress. That's why what some people call I quote "hard Brexit" – in its original sense of leaving the EU customs union and single market – was essential. It was the only form of Brexit that allowed us freedom to experiment and freedom to act. This is already happening. And you can see some themes emerging reflecting our different policy preferences in the UK.

One is our renewed emphasis on the modern use of science, on the benefits of research – we have set up our own pure research organisation, our ARIA like the US ARPA – and on a proportionate approach to risk. We recognise that zero risk systems are a myth and in fact sometimes tottemise particular aspects of broad societal challenges. So on COVID, there is a balance between opening up and managing the health burden, and we have now made a set of choices now, which I believe we can and must stick to, which recognise the risks to society of not opening up. Indeed arguably Britain, or at least England, is

now the free-est country in Europe in this respect. We are also going to get moving on areas like cyber, like artificial intelligence and gene editing. On border controls, even when they are fully in place, we are never going to adopt the same levels of checks and controls required by EU systems because we don't believe the level of risk requires them.

Another strand is that you can see a more active state than we have got used to in Britain in recent years, but always working within the confines of a liberal market economy. To take just two examples, we are developing a subsidy policy that is less process-driven and bureaucratic than the EU's, more tailored to the needs of the UK economy. The state is creating freeports – areas where there are tax reductions aimed at job creation. And finally we are actively looking at areas where we have inherited EU rules that we regard as unnecessarily complex, bureaucratic, or just unsuited to our present and future needs – a new agriculture support system that is more suited to our climate than the vasty fields of France; new procurement rules; or, since we can see the way the debate is going in the EU on equivalence, reforms to many financial services regulations. In Britain people voted for change. That's what they expect and that's what's happening.

## **Brexit is about democracy**

So to my third point: it's about democracy. Too often the debate about Brexit is technocratic – the merits of one kind of trading arrangement over another, the merits of one visa arrangement over another. Those are important issues, if now largely settled. But the fundamental element of the Brexit project is about democracy – to bring home political debates, to allow us to set our own ways of doing things in our own way, to open up the field of political and economic possibility.

This is fundamental. In most EU member states many important things can't be changed through elections – trade policy, monetary policy, fiscal policy, important elements of immigration policy, indeed some important aspects of industrial policy. That is your choice (and it is not for us to question), but our choice is that our electors should be able to debate, and change, policy in elections. Those debates are now happening for example there have been vigorous debates about the direction of the UK's independent trade policy, with Parliament bringing different viewpoints to the table. We have a very lively discussion of migration policy, freed by the debate over free movement to offer unprecedented immigration and visa schemes to tens of thousands from Hong Kong and, more recently, Afghanistan. And indeed our whole levelling up programme is about the trade-offs between different kinds of economic policy in different parts of the country.

That's why I don't see anything wrong with Brexit being described as a populist policy. If populism means doing what people want – challenging a technocratic consensus – then I am all for it. To suggest that there is something wrong in people deciding things for themselves is somewhat disreputable, even disrespectful to the British people and our democracy.

We have always said "taking back control" is about the ability to make sovereign choices across a range of different areas of national life, not the

specifics of those choices. I personally will argue as strongly as I can that free market capitalism, low taxes, free speech, and the maximum possible amount of economic and political freedom for individuals, are the best choices we could make as a country. But now we have to win those arguments and persuade people, not just write them into a Treaty or a Convention and expect people to put up with them. Indeed it was arguably the profound sense of democratic estrangement which accompanied the signing of the EU's most recent Treaty here in Lisbon – felt acutely although by no means exclusively in Britain – which made the UK's path towards exiting the European Union almost an inevitability.

That's what I see going on in Britain – genuine, far-reaching political argument – sometimes turbulent but ultimately healthy for our political debate.

What, then, is to be said about the fourth point I want to make – where does this leave our relationship with the EU?

### **Can we fix the UK / EU relationship?**

On the one hand, despite all the current difficulties, there has been some good cooperation between us, often at a practical level. We work well together on sanctions policy for example and I am sure we could do more together on foreign policy and defence. Customs officials in the member states generally work effectively with ours and are pragmatically keeping goods moving. We have comparable climate goals with net zero in mind – though there is a discussion coming on the EU's plans on CBAMs.

But there should be much more to it. The EU is obviously developing as a force in international affairs beyond the traditional areas of economic policy – navigating the rise of China and India and the changing roles of Russia and, indeed, the United States. As it does so, just offshore is a former member with the fifth largest economy in the world with some of the best universities, a seat on the P5, biggest defence spender in Europe and a nuclear power, which shares the same fundamental liberal democratic values and the deepest of ties between peoples and cultures. That fact, that reality can be handled in different ways by the Union.

Competition between us, as I said, is likely to be helpful to us both. But alienation, I think, would be a serious historical error. Strategic autonomy – if indeed it can be achieved – does not need to mean aloofness. The bumpiness of the last four years cannot be doubted but the prize for entering into a new era of relations cannot be doubted either.

I am aware obviously of the many criticisms that have been made of the UK in these past few years. Yet, viewed from our perspective, we look at the EU and see an organisation that doesn't seem to want to get back to constructive working together. For example we have seen:

- Extreme tensions over the EU's vaccine ban earlier this year.
- A block on our entry to Horizon (and of course earlier a refusal to allow us into Galileo)

- Threats to our energy supplies through the interconnectors
- A needless ban on the import of most shellfish to the EU, causing significant pain to our fishermen; and
- Knee-jerk resort to legal action on Northern Ireland

And overall, we are constantly faced with generalised accusations that can't be trusted and are not a reasonable international actor.

So, with all this in mind, we can't help taking it with a pinch of salt when we are told that the EU has stopped thinking about the UK and it is we who are still obsessed with Brexit. Actually we are not – there is no electoral dividend in endlessly talking about Brexit – quite the reverse. That is why the PM barely mentioned it in his Party Conference speech last week. What we do see, instead, is an organisation that doesn't always look like it wants us to succeed.

We didn't want it to be like this. We just want friendly relations, free trade, and the chance to do things our own way, all within the framework of a meaningful and robust Western alliance. With this in mind, I do urge you to look at the image you are presenting to us. If there is a trust problem, as we are constantly told there is, it is not the responsibility of only one party. At some point we must both try to raise our eyes to the horizon, look at the possibilities for better relations, and try to help each other solve problems, not create them.

## **Fixing the Northern Ireland Protocol**

Which brings me to my fifth and final point, and the biggest current problem – the Northern Ireland Protocol. It is the biggest source of mistrust between us and for all kinds of reasons, we need to fix it.

I recognise that is not easy. The history here matters. I do understand why the EU feels it is difficult to come back to an agreement reached only two years ago, though obviously that in itself is far from unusual in international relations. Equally, there is a widespread feeling in the UK that the EU did try to use Northern Ireland to encourage UK political forces to reverse the referendum result or at least to keep us closely aligned with the EU; and, moreover, that the Protocol represents a moment of EU overreach when the UK's negotiating hand was tied, and therefore cannot reasonably last in its current form.

Whether or not you agree with either analysis – the facts on the ground are what matter above all. Maybe there is a world in which the Protocol could have worked, more sensitively implemented. But the situation has now moved on. We now face a very serious situation. The Protocol is not working. It has completely lost consent in one community in Northern Ireland. It is not doing the thing it was set up to do – protect the Belfast (Good Friday) Agreement. In fact it is doing the opposite. It has to change.

No-one here is expert in Northern Ireland and we are not asking you to be. We are asking you, the EU, to work with us to help us manage the delicate balance in the Belfast (Good Friday) Agreement and not to disrupt it – to

reflect the concerns of everyone in Northern Ireland, from all sides of the political spectrum, and to make sure that the peace process is not undermined.

The key feature of the Belfast (Good Friday) Agreement is balance – between different communities and between their links with the rest of the UK and the Republic of Ireland. That balance is being shredded by the way this Protocol is working. The fundamental difficulty is that we are being asked to run a full-scale external boundary of the EU through the centre of our country, to apply EU law without consent in part of it, and to have any dispute on these arrangements settled in the court of one of the parties. The way this is happening is disrupting ordinary lives, damaging large and small businesses, and causing serious turbulence to the institutions of the Belfast (Good Friday) Agreement within Northern Ireland.

I remind you of Burke's words I quoted at the beginning and I quote again: "politics should be adjusted, not to human reasonings, but to human nature ...people must be governed in a manner agreeable to their temper and disposition." That is why we need to move on from this, once and for all. That simply won't happen without significant change to the existing Protocol.

We put forward proposals to fix things in July. They are less than many in Northern Ireland would like to see. They do not sweep away the Protocol. They work with the grain of it. They do not require infrastructure or checks at the international border between Northern Ireland and Ireland – no-one wants this and we have always opposed it. They keep Irish Sea trade arrangements for goods going into Ireland and we accept a responsibility to implement EU rules for those goods. They allow both UK and EU-standard goods to circulate in Northern Ireland. They protect the EU single market – not that it is in any way under threat. But, crucially, they would allow goods to circulate virtually freely between Northern Ireland and the rest of the UK – something that every other country in the world takes for granted.

We are now heading to a crucial few weeks. We await the proposals coming tomorrow from Maroš Šefčovič and the Commission in response to our ideas. To be clear, we will be really ready to discuss them – whatever they say – and we will obviously consider them seriously, fully, and positively. But – I repeat – if we are going to get to a solution we must, collectively, deliver significant change. We need the EU to show the same ambition and willingness – to tackle the fundamental issues at the heart of the Protocol head on.

That's why I am sharing with the Commission today a new legal text – the text of an amended Protocol, reflecting the proposals in our Command Paper, and supporting, not undermining, the Belfast (Good Friday) Agreement. I want to comment briefly on a couple of aspects of this text.

First, this new Protocol is forward-looking. The original Protocol was agreed at a time when we didn't know whether there would be a trade agreement between us and the EU. Many of the most unusual and disproportionate provisions were agreed precisely because we didn't know what the shape of our future trading relationship was going to be. In the face of uncertainty the original Protocol defaulted to excessive rigidity – rigidity which is now

needlessly harming Northern Ireland. We now know have a very far-reaching agreement between us, one which will regulate all aspects of our trade in the future. So it makes sense to situate the new agreement in that new trading context and bring it in line with those arrangements – they are after all the most significant signed by each party to date.

Second, our proposal looks more like a normal Treaty in the way it is governed, with international arbitration instead of a system of EU law ultimately policed in the court of one of the parties, the European Court of Justice. The Commission have been too quick to dismiss governance as a side issue. The reality is the opposite. The role of the European Court of Justice and the EU institutions in Northern Ireland create a situation where there appears to be no discretion about how provisions in the Protocol are implemented. The Commission's decision to launch infraction proceedings against us earlier this year at the very first sign of disagreement shows why these arrangements won't work in practice.

But it is not just about the Court. It is about the system of which the Court is the apex – the system which means the EU can make laws which apply in Northern Ireland without any kind of democratic scrutiny or discussion. Even now, as the EU considers possible solutions, there is an air of it saying "we have decided what's best for you, and will now implement it."

None of this we can now see will work as part of a durable settlement. Indeed without new arrangements in this area no Protocol will ever have the support across Northern Ireland it needs to survive.

So I urge Portugal and everyone in the EU to look carefully at what we are proposing as we will look carefully at what the EU proposes. I ask everyone listening to me today to think again about the positions taken so far. If we can put the Protocol on a durable footing, we have the opportunity to move past the difficulties of the past year. We have a short, but real, opportunity to put in place a new arrangement, to defuse the political crisis that is brewing, both in Northern Ireland and between us. If we can work on that then of course other things become possible too. Other significant problems in the relationship, of interest to both sides, might become resolvable. We would have a chance to move forward to a new, and better, equilibrium.

The Protocol itself envisages that it can be superseded by future agreements in Article 13(8). Given the experience we now have, it is clear that it must.

What does it cost the EU to put a new Protocol in place? As it seems to us, very little. There is no threat to the single market from what we are proposing. We are not asking to change arrangements within the EU in any way. We are not seeking to generalise special rules for Northern Ireland to any other aspect of our relationship. For the EU now to say that the Protocol – drawn up in extreme haste in a time of great uncertainty – can never be improved upon, when it is so self-evidently causing such significant problems, would be a historic misjudgement. It would be to prioritise EU internal processes over relieving turbulence in Northern Ireland; to say that societal disruption and trade distortion can be disregarded as mere



background noise; perhaps even that they are an acceptable price for Northern Ireland to pay to demonstrate that "Brexit has not worked".

To insist on this route would be to do a great disservice to Northern Ireland – and not recognise the process of iterative improvement that has kept the balance and sustained the peace process in Northern Ireland over the past decades.

Of course you can insist on this route. But if you do, you must remember that it is this government that governs Northern Ireland as it does the rest of the UK. Northern Ireland is not EU territory. It is our responsibility to safeguard peace and prosperity in Northern Ireland, and that may include using Article 16 if necessary. We would not go down this road gratuitously or with any particular pleasure. But, as Burke famously commented in his pamphlet "there is however a limit at which forbearance ceases to be a virtue". It is our fundamental responsibility to safeguard peace and prosperity in Northern Ireland, and that is why we cannot rest until the situation has been addressed.

The Protocol itself is clear that it respects the "essential state functions" of the UK. It does not create some kind of co-dominion or co-responsibility with the EU in Northern Ireland. It doesn't allow the EU to develop its own aspirations for Northern Ireland as if it were a member state, for example to decide that it is in Northern Ireland's own interests to stay subject to the rules of the single market for goods, whatever the UK Government may think. The Protocol is there to support the Belfast (Good Friday) Agreement. The A16 safeguards are there to deal with the situation if it ceases to do so. We will always act with that in mind.

So I repeat, to conclude- let us both be ambitious and agree a better way forward. Let's agree arrangements which we will both implement and which can in fact be implemented, because they command acceptance and respect across Northern Ireland.

In short, let's try to get back to normal. With some effort of will, we could still, despite all the problems, be in a position where the poison is drawn from this issue entirely and it is removed from the diplomatic top table once and for all. I personally would certainly be happy, if I could, to come here next year and talk about a new age of cooperation in which the word "Protocol" never appears.

Let me return one last time to Burke's pamphlet. He is describing the Government's position at a previous time of deep division in British politics, in fact over policy on America, but his words have resonance to all of us today: "A diversity of opinion upon almost every principle of politics had indeed drawn a strong line of separation between them and some others. However, they were desirous not to extend [it] by unnecessary bitterness; they wished to prevent a difference of opinion ...from festering into rancorous and incurable hostility. Accordingly they endeavoured that all past controversies should be forgotten."

I think we should act in that spirit. The Western alliance has got too many

global challenges to spend time on internal disputes. We face the same problems. We all need to stick together if we are to keep counting for something in the rest of the world and making a difference. That is what we will work for and we hope it can be a genuinely common effort.

Thank you very much.