

Ivan Rogers – Cambridge 2018

It's a great honour to have been invited to give this lecture.

Catherine kindly asked me which ABBA song I would want to accompany my dance to the platform.

"Waterloo" would be the obvious choice, I think.

This lecture is about Brexit as a Revolution. I suppose the subtitle should be "Let them eat cake". Or perhaps rather "let them have cake and eat it".

To continue the eating metaphor, we need, I think, to consider whether we have now reached the point in the Brexit revolution, where it is starting (in the 1793 words of Jacques Mallet du Pan) to "eat its own children". And if so, where that takes the UK.

Particularly as, it seems to me, some Brexit opponents have now taken up their own "revolutionary defeatism", seemingly yearning for the worst outcome possible from the negotiations, and political paralysis here in the hope that this will deliver the masses from their "false consciousness" of June 2016 and drive the case for a second referendum.

The fact that the European question has helped turn our political debate both somewhat, indeed sometimes seriously, mad and increasingly polarised and toxic should, I think, worry us all. It's hard, in my view, to think of anything that would toxify it more than a further referendum. But purist revolutionaries have spawned purist counter-revolutionaries.

In addition to considering the revolutionary nature of, and rhetoric supporting, Brexit, I think we do also need to be more serious in examining the failings of the ancien regime. Because revolutions do not succeed unless there is plenty wrong with the ancien regime.

Or perhaps, 2 ancien regimes.

The British political elite's ancien regime, which made, let's face it, a pretty poor fist of making any case for the UK remaining in the EU.

And the EU's ancien regime, which faces now a real struggle to defend, develop and modernise the European project, in the face of populist and nationalist assaults which it had assumed were banished in the 20th century, but which have resurfaced with a vengeance, notably since the financial crisis, and the migration crisis Europe has faced since a fair proportion of its near neighbourhood descended into chaos.

I want to start by viewing Brexitism as a revolutionary movement seeking a genuine rupture with the old regime. This is of course not to argue that 52% of the public voted for Brexit because that is what they thought it was.

They did, though, have multiple grievances with the ancien regime, many of which were very well warranted and which had been building for many years, to which they hoped Brexit might help provide some answer - or at least felt Brexit could not make things any worse than they already were. We should be very careful about sweeping generalisations about why the 52% voted Leave. Or indeed why the 48% voted Remain.

I want to talk here about Brexit as an elites project for a regime change, led primarily by entirely Establishment figures, often masquerading as non Establishment ones, and what those people believed Brexit was about.

I then want to say something about the British ancien regime and its failure to make any really compelling case to remain.

Then to cover some of the fundamental problems I think the European project currently faces in confronting a wave of populism and addressing the kinds of issues with which a supranational entity like the EU struggles, because they are not the kind of issues with which its institutions were designed to cope, or have the popular legitimacy with which to act on them. Central to this is the problem of technocratic overreach.

And finally, to come back to where we are now and examine whether a politically viable equilibrium - for either side - can be reached between post Brexit UK and the EU. And to view that in a long-term perspective, not as a question of whether a creative enough fudge can be found in the coming weeks to enable a legally binding Withdrawal Agreement with a permanent Irish backstop in it to be concluded alongside a Political Declaration which gives the Prime Minister a serious chance of getting the package through the House.

That is of course important. Critical in the short term. But the issue for the next generation is much bigger than what sort of ambiguous text might be cobbled together in the coming weeks to enable a hard but not chaotic Brexit to happen.

First, Brexit as a revolutionary movement.

What do I mean?

I see several elements.

First, those who drove Brexit politically are clearly not seeking incremental change. Most wanted, and want, a radically different UK, and some want a radically different - or even, no - EU. There was never a version of the EU to which the other 27 could have agreed with which the bulk of the leading advocates of Brexit could have been content.

According to the Brexit revolutionaries, the world started to go wrong when we joined the old EEC in 1973, deserting the 7, which became the 3 now in EFTA, for the 6 - who by the time we chose to leave, became 28. (There is little serious reflection on why EFTA became a very small club, or why, for all the major EU players, no pan European project could ever cohere round a simple free trade area, and on why their own ideas on the future role of Europe in the world got so little traction in Europe.) It got even worse post the fall of the Berlin Wall, when German reunification propelled the Community towards a Monetary Union, and resurrected the German question.

That was, for many, the point at which any hope they had – and I am not sure many had – that the UK could EFTAise the EEC, was permanently dashed. And they concluded – wrongly, actually, but that is a longer story – that the EU (the Union emerged to replace the Community, and do not underestimate the importance of that nomenclature to the Brexit revolution), was inexorably becoming a single, federal state, from which it was urgent to liberate ourselves.

Cameron-style outer tier membership arrangements were never going to be enough, whatever he had negotiated. They wanted a radical reconsideration and loosening of the EU project as a whole which it was inconceivable the other 27 would, in 2016, have agreed the Treaty changes to permit.

Second, they have an abhorrence for any supranational sharing or pooling of sovereignty, and believe powers passed to that level are sovereignty surrendered, which needs to be recaptured and resumed at national level. The international order should be essentially purely intergovernmental: Treaties concluded and commitments made between sovereign nations.

The entire legal order of the EU, which I would agree with them is unique and sui generis in the international legal order – I just draw other conclusions from this about how easy it is to exit from it, and then live next to it - is basically anathema to Brexit advocates. It's a wrong turn in the Western world.

Third, they wanted, and want, a radical and rapid rupture and were rarely, with some very honourable exceptions, who were essentially ignored by the majority of the Brexit lobby for posing inconvenient questions, remotely focussed the process by which one might extricate oneself, with as minimal transitional damage as possible, from a huge number of legal, institutional and regulatory arrangements which had become central to the operation of the British State.

Hence the curious paradox of those who believed that the EU had inserted itself into virtually every nook and cranny of the country's social and economic life - a proposition with which I would also rather agree - also believing that all these strings could be cut extremely rapidly, and that nothing would go awry for the UK.

Despite the obvious fact that the UK's very immersion in these structures meant its own State's capacity to resume sovereignty in areas where it had been pooled, was much diminished across large tracts of the economy now regulated supranationally.

And despite the fact that the current operation of the UK economy, both in manufacturing and in services, is heavily predicated on membership of both the Single Market and the Customs Union, and what each had done, however imperfectly, over decades to facilitate trade and investment flows across what used to be hard, now internal, borders of a Common Market.

We live, and have lived for some time, in a comprehensive regulatory union, but despite wanting to leave it, we struggle at political level to understand what that means.

This is all written off as the preoccupations of ghastly incumbent multinational CEOs, who themselves, we are told regularly, do not understand their own businesses' business models as well as the gurus of the revolution. And therefore need, like their trade federations, to be ignored and / or replaced, presumably by corporate titans who spontaneously align with the revolution.

This sounds rather more like Mussolini style corporatism than it does the free market economics to which we are told the revolution is wedded.

Before I quit the Civil Service, I was dealing day by day with senior Cabinet Ministers, many of whom were and still are central players in the process, who argued that the "trade deal with the EU" had to be negotiated, agreed and ratified BEFORE we left and in operation the day after legal exit, and that we had to have a plethora of new trade deals with other global players in force as well. Plenty of such lofty promises were made in the referendum campaign of course.

They were, and have been proven, total fantasy.

The reality is that the maximum that could be agreed pre departure, alongside the only legally binding document there will be – the Withdrawal Agreement, covering money, citizens rights and the Irish border issue - is a thin, largely aspirational, but hopefully useful, political framework for the huge economic negotiation which can only happen after exit.

To say any of this in 2016 was clearly deemed gloomy, defeatist talk indicating counter-revolutionary intent...

In reality, as is clear 28 months after the referendum, I am afraid it was stating the obvious about the complexity and longevity of the exit process, stating the equally obvious about when the trade negotiation could even BEGIN – 2019 – let alone end, and pointing therefore to the inevitable need, if we were to get the best conceivable Brexit outcome for the UK, for a really protracted transition before we reached the post Brexit destination.

Plus, of course, stating the further obvious truth that the EU would not expend effort on negotiating a full, bespoke transition AS WELL AS the end state – why would they? - and that one therefore needed an off the shelf transition arrangement to swing into force next year.

And finally that the business of negotiating free trade deals worth having with the other strategic players in world trade would also take very many years, be highly uncertain in outcome; would see those partners wanting real clarity in our new relationship with the EU before they could be sure what they wanted in a deal with us; and would be preceded by the major work to prevent UK trading arrangements worsening on exit day via our slipping out of the EU's network of existing preferential deals, which is larger than any other player's on the planet.

As we head towards 2019, sobriety is gradually setting in.

The failure of Brexit revolutionaries to think this through when they really needed to, and the determination in 2016 to rule out all other options as early as possible in order to secure the revolution, led them into the trap. Invoking Article 50 when they did and in the fashion they did, led them further. And the EU duly closed the trap door before they realised what transition they were in for.

To mix my metaphors, the EU has been boiling the UK frog ever since. On process, sequencing, substance, there has been movement only one way.

The fact that, even now, so many Brexit advocates think that the EU is only deploying such a strategy because it is desperate to keep the UK in the EU just tells you how far detached from EU reality much of our political class is.

The aim of the 27, perfectly legitimately, whether or not it is wisely, has been to maximise leverage during the withdrawal process and tee up a trade negotiation after our exit where the clock and the cliff edge can again be used to maximise concessions from London.

Now, of course, 2 years too late, some politicians, recognising that the revolution has misfired, sobered by an exit process far more ghastly than they once imagined, and appreciating that where you pitch up in a lengthy transition was a question – THE question - they should have thought much harder about, talk of seeking to spend several years in an EEA type transition chamber – “as Norway” – before graduating to a Canadian style FTA relationship at the end of the protracted transition.

This is the “Norway then Canada” model one now hears so much about.

But, even leaving aside the legal objections, which I will not rehearse, there is now no earthly reason for either the EU27 or the EEA to agree such a deal. The ancien regime, after all, has no good reason to provide the finest transitional feather bed for the revolutionaries who want to leave it.

Its own best interests are served by offering the bread and water of the 21 month voiceless rule-taking transition which is now on offer.

And let’s not forget the remarkable nature, in democratic terms, of what the UK HAS already agreed, because it has found itself with no choice.

We will, automatically and immediately, over any transition period, be bound by law and decisions over which our representatives and voters had no say. This is, so obviously, a bad outcome that the only thing one can do if one has failed to think seriously in advance about this crucial transitional phase, is to blame counter revolutionary forces for having landed one there...!

Nor does the EEA, which functions essentially fine as a permanent home for its members, whose economies are radically different from our own, want or need the arrival of a massive transiting cuckoo in the nest, which only wants in, in order to have a nice perch before it is ready to fly off out to something it thinks better.

The EU is secure in the knowledge that the alternative of jumping out with “no deal” is, for all the tedious and pointless bravado, the last thing the UK wants to do, because the asymmetrical economic self harm it would inflict.

Safe too, in the knowledge, which we now start to hear from leaders, that 21 months will anyway not be long enough to negotiate even the kind of Canada ++ deal that will be on offer. A version of “Canada” which, incidentally, differs radically from the version espoused by its UK advocates. Because the EU’s pluses are not Boris Johnson’s.

So that they have the UK against the wall again in 2020. I shall come back to that later.

This then, is a very British establishment sort of revolution. No plan and little planning, oodles of PPE tutorial level plausible bullshit, supreme self confidence that we understand others’ real interests better than they do, a complete inability to fathom the nature and incentives of the ancien regime.

Fourth, Brexit revolutionaries simultaneously believed and still believe the EU is a behemoth with preposterous, undesirable and unrealisable, sometimes, maybe often, malign, superpower and statehood pretensions.

And in most areas of hard power, the unrealisability at least is unarguable. The federal superstate of Brexiteers nightmares, after all, has neither army nor intelligence services, nor many of the non economic/regulatory capabilities which go with statehood. It isn’t about to acquire them, either.

We shall see whether the EU gets much more serious about defence and internal security capabilities in the light of Brexit, of the Trump Administration’s views both of NATO and of the EU, which mark a sharp break from the views of all previous US Presidents of both colours on European integration, of a revanchist Russia, and of a deeply unstable border zone to East and South.

Brexit advocates are often caught between contempt for the EU's complete inability to function as a "hard power" player and fear that this might then end when we are not in it.

But core Brexit advocates also believe, bizarrely, that in the one area the EU HAS genuine superpower capabilities - the regulatory and trade domain which we were central to building via the Single Market project - it will not exercise its superpower muscles when dealing with us as a former member.

Hence the extraordinary – indeed I would say culpable - naïveté we have seen almost daily for 2 years. Faced by a UK which essentially wants all the benefits of unchanged free trade from its EU membership days, with none / few of the obligations, the EU repeatedly says: "that is just never going to be on offer, and you must choose between a Canadian style relationship, which offers you much greater autonomy but much lower access to our market, and a Norwegian type deal which offers far better market access but much less autonomy."

It was never going to say anything else. It was always going to put first the integrity of its current legal order and the need to demonstrate a very clear distinction between the benefits available to members, and the best that could ever be on offer to any third country.

And it was never going to change its legal order for the benefit of a state that had chosen to leave it.

It is therefore never going to agree to some generalised equivalence system which opens up regulation/legislation effectively to joint decision-making between itself and the UK.

Yet that is of course what appears in the Canada ++ propositions we now see floated as superior to Chequers. As with the core economic elements of Chequers, the chance of the EU agreeing them is precisely zero.

Just as an accession process for those joining the EU is not some symmetrical negotiation process with give and take but a process of progressive crossing of thresholds by the applicant to meet the standards of the body it is joining, so the "de-accession process" which is the UK's departure, is simply not a process in which the rules of the club we are departing are up for grabs and for revision.

I was saying this in Whitehall and indeed to British journalists in Brussels well before the referendum. Because we needed seriously to work through precisely how a Brexit process could be made to work before launching it.

This is really not too difficult to grasp unless one is determined not to. But Brexit advocates gave very little serious thought to how the EU would inevitably conduct an exit process. They also always believed that the mercantile interests of individual key Member States would, in the end, trump the collective interests of the bloc. And that the dread theologian lawyers of Brussels would therefore be overruled and undermined by leaders, who were closer to their publics and their business interests.

This is an age-old British misunderstanding of how the EU functions, or could ever function.

Of course, when one points out that this is how the EU will behave vis a vis the UK as a third country – it will, in other words, treat us with the sheer lack of sentimentality in trade negotiations that the US and China, the other trade superpowers, deploy against everyone - and will also deploy against the UK in the next few years - one elicits the "just as well that we are leaving an organisation that can be so horrid" reaction.

You will have to forgive my hard bitten cynicism here. Trade negotiations with any regional power bloc or major country are hard ball brutal negotiations. One reads recent tracts, like the IEA's recent one covering Britain's trading future and marvels at the sheer naïveté on every page, both about the EU and the US.

As for other world players, just a couple of examples, but there are legions: we read on China that "the UK should initiate discussions with China but be clear that its requirements for a UK-China deal are likely to be difficult for China to meet in the short term." It goes on that the UK would need "progress in many areas of China's approach to trade". Good luck with that. I am sure Beijing is awaiting Dr Fox's Department's advice on how to conclude a path-breaking deal with the British.

On India, we read that among the main obstacles EU-India deal has been the EU's aversion to allowing India Mode 4 services access. We are told that this, "ironically, is due to the UK". But it's not ironic at all. Because it's of a piece with the views on cross border movement of people espoused by the advocates of Brexit, and delivered into the negotiation by the former Home Secretary, now Prime Minister.

But never mind. We are assured that, when we are sovereign, we shall decide that the numbers of highly skilled workers arriving from India will be "very small indeed". I look forward to the celebrations when Delhi hears.

Nearly 2 ½ years on from the referendum, we are, in other words, both on the EU deal, and on other post Brexit trade deals, still lost in campaign mode on fantasy island. But the time for these fantasies is long past.

Fifth, as tends to happen in revolutions, the ambitions for the hardness, cleanness, abruptness of Brexit have now risen well beyond the stated ambitions of the vast bulk of Brexit supporters at and after the time David Cameron committed to an in-out referendum. Avowed long standing supporters of Brexit regularly used to trumpet ideas of ongoing Single Market participation and deals close to those of Norway and Switzerland and did so, arguing, correctly, that these would liberate the UK from a sizeable proportion of the legal acquis to which it was subject by membership.

But as Brexit radicalised, former proponents abandoned these options and increasingly loudly declared all other versions of Brexit a betrayal of the manifest "will of the people". Of which of course, only they were the true interpreters.

There was only one pure form of Brexit, and any compromises represented a treasonous betrayal and/ or a humiliation. The elements of the Swiss model on goods trade which are clearly the basis of some of the Chequers thinking are now derided as an awful betrayal by some people who used to represent Switzerland as somewhere close to Nirvana.

It was, of course, in response to this campaign for "the one true path Brexit", that the Prime Minister in her first Party Conference speech as leader in October 2016, and fearing that as a quiet ex Remainer, she might be viewed by her Party's "true Brexit" wing as a dangerous counter-revolutionary whose heart was not truly in the Brexit project, decided to go all in with a red lines strategy which pointed towards a standard Free Trade Area destination.

That speech, and the Lancaster House one that followed, duly set us on the path we have meandered slowly down over the last 2 years.

The EU reacted, as was completely inevitable, by averring that her red lines, if immutable, pointed ineluctably to an economic relationship no deeper than a bog standard free trade area. I dealt first hand 2 years ago with the extent of the surprise in the European elites that the PM should have taken such a hard line and unequivocal view on the UK's post Brexit destination.

That in itself tells you that those elites thought that Brexit was a long process not a single event, and that a number of end states for the relationship were in play after the referendum. In other words, that the "hardness" of the Brexit destination and the extent of the unravelling of existing relationships and structures we wanted, depended on post referendum choices and had not been fully determined by the referendum itself.

As the PM started to discover what this speech's content actually meant to the other side of the Channel, and that the dream of frictionless trade with our partners, despite having left both Single Market and Customs Union, was just that – a dream, and an impossible one, though we seem to be dreaming it again this week – she edged towards the first version of what, 18 tortuous months later, turned into the Chequers proposal.

Even at Lancaster House, she was deliberately indicating some agnosticism as to the future Customs relationship with the EU. We were going to cease to be in the Common Commercial Policy – the trade policy – of the EU – and cease to apply its Common External Tariff. In other words, we evidently fully intended to run a different, autonomous trade policy, with different tariff rates where we wished. No amount of spin now can conceal that that was the intention. Why else do you set up an International Trade Ministry with trade policy and negotiating capability?

But we still wanted somehow to derive all the benefits she now understood of staying in the Customs Union, in order that those UK manufacturers whose entire business model was constructed around just-in-time delivery predicated on staying in a Customs Union, did not conclude that Brexit had fundamentally screwed up their UK business operations.

So even by January 2017, we had the germ of what turned into a very central component of Chequers, the so-called Facilitated Customs Agreement, an extremely complex dual tariff arrangement whereby the UK would be able to vary its tariffs away from the Common External Tariff and hence run a fully autonomous trade policy, but still police the former external border of the EU for it, and hence derive all the friction-free "internal" trade benefits of Customs Union membership.

This proposition became steadily even more central as the Irish border question became a central one in the Article 50 Withdrawal Treaty negotiations.

Because the Brexit revolutionaries would denounce, and probably guillotine, her for betrayal of the true path Brexit if she committed the UK to staying permanently in a Customs Union, and thus limited the UK's post Brexit trade policy sovereignty, and because she had no option but to agree to a legally secure, permanent backstop giving Dublin the guarantee that the UK's departure would not automatically lead to the re-erection of a hard border across the island of Ireland, she had only one place to go politically, if the Brexit revolution was not to eat her as its first victim.

And that was to say that she could agree a legal backstop to solve the Irish border question. But only because no such backstop would ever enter into force.

Because there would be an all UK trade deal which would obviate the need for it.

And that would simultaneously guarantee the Brexiteers their goal of a sovereign, autonomous trade policy post exit, by leaving the Customs Union, and being free to depart from the Common External Tariff, but also guarantee manufacturing Britain the friction free trade that comes only when inside a Customs Union, by replicating all its features in the new dual tariff regime.

When you are living in a world of revolutionary politics, this kind of total fantasy proposition – the current UK generation’s equivalent of the hard ecu, though I fear I am being unkind to the authors of the hard ecu proposal – starts to make sense, and you persuade yourselves that, as there is no other way of your squaring impossible circles, it must fly.

But it makes no sense at all for the ancien regime with which you would have to negotiate it.

Because it is self-evidently not in their interests to accord you unchanged internal Customs Union terms when you want to leave the Customs Union and run what you consider a better trade policy, aiming to outcompete theirs - which, incidentally, you spend your time telling them is useless and protectionist.

Any more than it is in their interests to accord you unchanged Single Market terms in those sectors where you are prepared to commit to ongoing convergence or harmonisation of standards, whilst enabling you to diverge a choix in other sectors where you actively want to diverge, in order to achieve a competitive advantage.

No version of Canada ++ the EU would ever agree is going to give us this either.

The constant assertions that somehow the EU elites do not understand their own best interests, or that, in protecting those interests are betraying the “true” interests of their publics, which British politicians evidently somehow know better, is one of the more extraordinary facets of our current political debate.

As a former Permanent Representative and Ambassador colleague of a UK-friendly, liberal, pro free trading and pro competition Member State, Denmark’s Claus Grube, eloquently put it:

“If Brexit is to make sense somewhere, it only does so if you can improve your competitiveness by deregulating and distorting competition for goods, services, capital and qualified labour with deviating (sic) rules, state aid, lower labour costs and /or reduced regulatory costs. Otherwise, why leave the EU/EEA? And that is what the EU fears will happen over time and why there will be strict limits to the “creativity and flexibility” when it comes to securing a “level playing field” as this will only amount to a transfer of resources from the EU to the UK to cover as much of the cost of Brexit as the UK can get away with”.

And domestically, of course, every baby step away from the fundamentalist position the PM took at the October 2016 Party Conference and at Lancaster House gets represented as a betrayal of the true, unadulterated Brexit, and every nuance at Lancaster House pointing the obvious – but unviable - FCA destination even then, gets expunged from the record.

In proper revolutionary fashion, such betrayals are always laid at the door, not of a PM who might, over time, exposed to the realities of the negotiation and the economic and public finances implications of the true path Brexit, be changing her mind about the destination, but of the shadowy conspiratorial counter-revolutionary establishment elite determined to thwart the Revolution’s purpose.

And now, even the advocates of “Norway then Canada” are starting to receive the same “enemies of the people” treatment. The revolution starts to eat its own.

Whether we have reached the point where Mr Gove and acolytes get condemned by the pinstriped Robespierres of the Committee of Public Safety – or is it the European Research Group? – for insufficient revolutionary fervour, and being, like some latter day Danton, in the pay of foreign powers, I do not know.

Danton, of course, famously supposedly said, as he passed Robespierre’s house on the way to his execution: “you will follow us shortly. Your house will be beaten down and sowed with salt”. I obviously now cannot vouch for what now passes between Brexit supporting leadership candidates...

But, to continue the 1790s analogy, the Montagnard forces of the Revolution are now split between those revolutionary realists who say “let’s just get the irrevocable split done next March, and then we can reradicalise the revolution with a more divergent Brexit 2.0, liberated from the courtiers who botched Brexit 1.0”, and those romantics who denounce such thoughts as counter-revolutionary defeatist deception, and proclaim that the revolution will be sunk for good unless the opportunity for total rupture is grasped now.

For the Brexit 2.0 – “enough for now, reradicalise later” - revolutionary realists, Johnsonian revolutionary romanticism is dangerous. Because his argument for a reset, an extension and a repudiation of the Irish backstop, agreed when he was in office as Foreign Secretary, does not lead to either a reset or an extension but to an exit with “no deal” and no substitute mini deals either. The EU will simply draw stumps on a UK Government that repudiates the backstop agreement of December last year.

And the Brexit 2.0 fans fear that will discredit and kill the revolution, and hand office to a hard left Government which, oddly enough, is not at all wedded to their vision of post Brexit mid Atlantic buccaneering free trading Britain.

And they also fear, because they are sat in Government looking at the impacts Whitehall knows very well, that this plunges the economy into trouble, creates chaos because the system, public and private sector, is not ready for “no deal”, and that “no deal” anyway requires levels of cross border collaboration it will not get in the political circumstances we would then face. Brussels is of course duly offering some reminders this week of the reality of how “no deal” would be dealt with by the 27 just to focus British minds.

What, incidentally, are the 27 supposed, to make of the Brexit 2.0 idea? Who knows? But what they DO make of them is that it looks increasingly unlikely that any deal made with the British can be presumed to stick. The EU negotiating strategy duly takes account of that.

But, if we stand back one moment from the current frenzy, both wings of the revolution are unable or unwilling to answer Grube’s very apposite question. If Brexit is NOT about radical, deliberate divergence from the EU model and about deregulation, what was the point of it?

And if that is the real point of it – and the IEA proposals behind the Boris Johnson speech last week, suggest it is, and ascribe huge long-term gains to such radical divergence and deregulation, which look extraordinary given that the UK economy is already one of the least heavily regulated of all OECD economies - why exactly do the revolutionaries expect the ancien regime to help the revolution prosper?

It is as if the liberal revolutionaries of early 19th century Europe expected Metternich to help them devise ways to undermine the Congress system by which Europe was run at the time.

If radical divergence and deregulation to aim to reap competitive advantage is the purpose, or if moving into the regulatory orbit of the US and out of that of the EU, is the agenda, by all means argue for it.

It is after all, consistent with the world view which underpinned much pro Brexit thinking: that the EU is an over regulated, over-welcomed, illiberal basket case, from which we need to escape and from which we must diverge. (Quite how the EU has cleverly forced UK per capita productivity to be so vastly lower than France's and Germany's, I never quite understood..)

But then do not ask people to believe you really want ANY free trade agreement with much your largest trading partner – because, completely obviously, the EU will not sign one or be able to ratify it through 27 Parliaments, without demanding Claus Grube's ground rules.

Or ask people to take seriously the rhetoric – I confess I am tempted to say claptrap - that all you really ever want to instigate is a “race to the top” to higher regulatory standards, or that you only want the autonomy to find your own way to deliver essentially precisely the same regulatory outcomes.

Because that is not a credible reason to have Brexited. And your negotiating opposite numbers were not born yesterday.

The question we therefore face, and have faced, but failed to face up to nationally, since the referendum vote is whether, and if so, on what terms, there can be a serious long-term accommodation between Brexit Britain and ancien regime EU, which, even if scratchy and perpetually subject to flare-ups, nevertheless allows both to prosper and to co-operate where their interests and values coincide, which both sides keep saying, with more or less conviction, they still do.

Before I come to that, I want to talk about the failings of the ancien regime, both the UK one and the EU one. Those failings are clearly related, but as the UK political elite has never, in its entire membership, really understood the purpose of the project in the same way as European elites whose experience of World Wars, of Civil wars, and of the Iron Curtain's division of Europe marked them very differently, and persuaded them that only “deep supranationalism” could save Europe from repeating its conflicts.

For non-British elites, the most striking thing about the Brexit vote was, after all, that the construction of a completely sui generis British place within the Union – permanently opted out of Monetary Union, out of Schengen, out of Banking Union, out of a common asylum policy, and with an ability to pick and choose which areas of internal security and legal co-operation to join – was still not enough for a Remain victory.

And, even more oddly to them, the very issues which had seemed to propel Leave to victory were the elements of the Union for which the British elite had fought hardest or been the biggest proponents since the fall of the Berlin Wall – the enlargement of the Union to the former Eastern bloc countries, and the consequences of that, migratory and fiscal; the deepening of the Single Market project of internal trade liberalisation; and the drive towards a more liberal, free trading external trade policy.

I will be brief on each: one cannot do this full justice unless at much greater length.

On enlargement, British policy in the days before Conservative Foreign Secretaries took to comparing the EU with a Soviet-style prison, had, after all, been to promote the speedy and complete enlargement of the Union to the East and South East, against resistance from several other parts of “old Europe”, to press for all 4 Single Market freedoms to be extended to those countries at accession, and to take the lead – and reap competitive advantage for the UK economy by doing so – in opening the UK Labour market without any transitional periods to qualified labour from those countries as soon as they joined.

These were pro European policies actively espoused across the political spectrum, actively promoted by players like the then Governor of the Bank of England, Mervyn King, who saw an open liberal free movement of people policy as a clear economic and fiscal plus for the UK.

Which, of course, it was. At macro level.

As indeed the current Government’s own Migration Advisory Committee has just confirmed via its data in recent days showing that the average arrival from within the EU made a much greater positive fiscal contribution than immigrants arriving from outside it.

(The current Government’s policy of removing any EU preference in future migration policy is therefore, whatever else, not founded on the economic analysis. And on the part of migration over which the UK Government had and has complete sovereign control over policy – that from outside the EU, which has been fiscally less advantageous – it has completely failed, year after year, to deliver on its stated objectives on “control” of numbers. Yet now, we are told that the national “control” which, for years, has failed to deliver the reductions in numbers arriving from non EU and EEA countries, will, miraculously, be delivered when it is applied to EU and EEA citizens.)

But for the public which voted for Brexit, 2 consequences of EU enlargement clearly impacted their views.

First was the sense that overall numbers arriving – and here I very much doubt that most of the public makes any distinction between those arriving from outside the EU, where, as I say, we have virtually complete sovereign control, and those exercising free movement rights within the EU - were too high.

And that whilst this might be fine for the metropolitan elites, it was not fine for them: with living standards stagnating post the financial crisis, and public services under pressure from austerity budgets which seemed to apply to all bar those globalised metropolitan elites.

Second was the Exchequer cost of enlargement. We all know the 350 million figure on the side of the red bus was specious. We also know that it resonated, as it was intended to.

No-one, though, can or should deny that the enlarged, and poorer Union, with a high proportion of States becoming major net recipients and needing funding to promote a catch-up to Western European living standards after decades of Communist oppression -which is bound to take a couple of generations to deliver - became more expensive for the UK taxpayer. A UK net contribution in the range 3-4bn a year pre the large Eastern European accession, was in the 10bn range by the time of the referendum.

Why? Because the UK rebate could not rationally or morally be applicable to structural funds spending in countries from the former Eastern bloc, who were massively poorer than the country receiving the rebate – a rebate devised, after all, at a time when the UK was one of the poorest States in the old Western Europe. (Which was one key reason, which we now forget, why we concluded we needed to leave EFTA and join the EEC in the first place: the trentes glorieuses after the War had been a great deal more glorious for the founding members of the EEC than for the British, still living in a world of Commonwealth preference nostalgia, now on the rise again on the Right, and managed relative decline.)

All British enthusiasts for wholesale enlargement to the former Eastern bloc, which included virtually all that generation of Eurosceptics, knew that this would, by dint of both agricultural and structural spending, massively raise the UK's net contribution for a generation, until a significant catch-up to close the gap between former Communist economies and Western Europeans ones had happened.

But if this is a financial and strategic bargain you think well worth it to reunify a fractured Continent post the Cold War, build a larger domestic market, and change the shape and focus of Europe, you have to make that case to the public and think harder about the potential domestic “losers” from it. It is hard to recall many occasions when any case was honestly made to the British public.

And although the overall EU Budget – the scale of which used to be the big cause for the future Brexiteers – is actually smaller as a proportion of EU GDP than it was for a tighter and more prosperous western Union 25 years ago, the political ground shifted to the UK's contribution, because that was the most propitious ground to fight for Brexit.

The case as to why central and Eastern European states should now want to give the UK, when on the outside, virtually the same Single Market and Customs Union trading relations as we had when within, when we are ending free movement of people and ending our budgetary contribution solidarity for their catch-up, still goes unanswered.

The short answer is, of course, that they won't.

As for the case for staying in the Single Market and indeed extending and deepening it, and what the UK gained by doing so, that too largely went by default. So many of the successes for ordinary people of the Single Market from telecoms to aviation to services were driven by the UK. But politicians of both hues rarely talked up advances, except as victories over enemies, imaginary or real, mostly in Brussels, allegedly attempting to thwart them.

So much British discourse about “reform” was devoted to intergovernmental economic reform initiatives that UK Governments rarely, if ever, set out the reality: that a Single Market is just not remotely like a free trade area. It is much deeper and more fundamental trade liberalisation tackling the stickiest but most nakedly protectionist behind-the-border barriers.

And that doing so REQUIRES supranationalism, requires qualified majority voting, in which we gained far more than we lost, and requires tough, supranational enforcement and adjudication: in other words, a strong and activist Commission and a rigorous supranational Court. Both were consistently more UK-friendly than the centre of gravity of the Council of Ministers on liberalisation, internal and external. You would not know it from British politics in the last 25 years.

And, contrary to what we have heard hundreds of times over recent years, there is no such thing as Single Market “access” which replicates, if you leave, the adjudication and enforcement structures of

the EU, and gives you anything like the same market access on either goods or services that we had when within.

If you fail consistently to make that argument in “peace time”, it is not surprising that you cannot succeed with it at referendum time, and that people are inclined to believe the charlatans who tell them that they can have all that they like - lots - about the trade relations within the EU, with none of the costs or obligations of being in it.

And who tell you that the re-erection of trade barriers when you leave the Market is an act of punitive vengeance, as opposed to what it is: an entirely automatic consequence of your own choice to leave the legal structures.

There is much more to be said on this than I have time to cover here. But the Single Market is a unique international law construction, of which there is no such thing as partial membership, and the benefits of membership of which go with obligations which can only be policed by a supranational Court.

There is and can be, no loose intergovernmentalist Single Market. This is a unicorn. Nor will the EU ever conclude/keep deep Mutual Recognition Agreements, and a generalised equivalence regime, with a non-member third country.

This is fantasy island stuff peddled to fool the public that we can indeed have full, unchanged, free trade with the EU cake, with none of the legal integration. But we cannot.

And therein, of course, lies the problem with the current fiction that are the pluses in the Johnsonian version of Canada ++. They are not the pluses anyone else will agree. The Johnsonian Canada ++ is as big a pipe dream as Chequers. In some respects, rather bigger.

It was precisely because the UK, including under Margaret Thatcher, believed we had the most to gain from this deep cross border trade liberalisation, that we were, for our entire membership, the biggest champion of Single Market deepening initiatives.

Even after deciding to exit, we seem, highly bizarrely, still to be enthusiasts for the serious development of a digital Single Market, despite not wanting to be in it because we find the implications for our sovereignty intolerable.

Presumably we think it's fine for the other 27's sovereignty, and better for UK businesses, as well as the 27's, if they do not share/ ignore our political constraints.

Fortunately, again, the Prime Minister has had, over the last 2 years, under the pressure of economic realities, to shift away from the unequivocal nature of the commitment to exit ECJ jurisdiction she gave at her Party Conference in 2016. Littered throughout the Chequers proposal is the evidence that the consequences of this red line have sunk in, and that the continuity of access and of regulatory regimes that the UK wants in multiple areas, depend on it being junked. Of course doing so, having unwisely promised not to, adds to the howls of betrayal.

On external trade, the Brexiteer belief that it was essential to leave the Customs Union as well as the Single Market, in order to resume full trade policy sovereignty and do a plethora of bilateral trade deals, is obviously not new. But the obsession with it is.

This was simply not a core theme for Eurosceptics in the 1990s and in early century. Many other sovereignty issues remain the same, and the free movement issue inevitably overtook others post Eastern European accession. But trade policy autonomy was not the shibboleth of the early Brexit advocates.

Oddly, it is the failure to complete any global trade round since 1994, when a British Tory, Leon Brittan, a serious free trading economic liberal, was running EU trade policy and, with his US oppo, Mickey Kantor, essentially drove from that seat the conclusion of the Uruguay Round, that pushed Eurosceptics, as it indeed pushed the EU, towards more regionalism and bilateralism in trade, and started to propel the case for autonomy if we were to negotiate trade deals reflecting solely British interests.

What puzzles other European elites on this external trade dimension of the Brexit revolution is how the UK's governing party could, after decades in which the UK demonstrably had more impact in pushing the EU in a trade liberal direction than any other player in the Union, and at a time when the EU was demonstrably more active and liberal and dynamic in trade policy than the US for the first time since the War, talk itself into a revolutionary defeatist position, constantly convincing itself and loudly proclaiming to the public that the UK had no clout.

As I say, the success of the revolutionary "we have been marginalised and impotent, and its time to go" strategy has now spawned its mirror image in the anti-Brexit counter-revolutionary movement.

Trade politics was, I think, the harbinger of much that we now see on both the populist Right and the anti-globalisation Left. Trade politicised, perhaps I should say re-politicised – on both Right and Left – from the late 1990s.

It was the said British Commissioner who called publicly for a new Global Trade Round first in the mid 1990s. By the time of the famous Seattle demonstrations in 1999, trade was a very hot topic. And actually at that point more on the populist anti globalisation Left than on the Right. Anti free trade populism on both the Right and the Left helped sink the Doha Round.

The idea that populism in the West only surged after the financial crisis, seems to me just plain wrong. Just as the idea that the whole ancien regime is under unprecedented and mortal threat strikes me as having some force, but as being a bit hyperbolic. Tony Judt wrote these brilliant words:

"The old political extremes – Far Left and Far Right – were now frequently united: typically in their antipathy to foreigners and their shared fear of European integration. Anti-capitalism, recast somewhat implausibly as anti globalisation, as though strictly DOMESTIC capitalism were somehow a different and less offensive breed – was attractive to nativist reactionaries and international radicals alike. As for the political mainstream, the old differences between parties of the centre-Right and centre-Left had largely evaporated. The political topography of Europe has altered dramatically over the last two decades. Although it remained conventional to think in terms of "Left" and "Right", what they distinguished was unclear."

That was written 13 years ago...

To be clear, I am not saying that there is nothing new about the current wave of post financial crisis populism across Europe – and indeed beyond. But the nativist reactionaries and international radicals are indeed reunited, and, as often, beneath the free-trading rhetoric are the age old demands for autonomy from global or regional rules and the right to confer national preferences to support British firms and interests.

Only the foreigners are ever protectionist of course...

But I do think the European ancien regime faces genuinely severe problems, and I want briefly to highlight four points which seem to make the current crisis more systemically dangerous than the one to which Tony Judt was referring around the time of the Lisbon Treaty.

First, the EU is a regulatory and trade giant and a huge exporter of its norms, rules and standards – precisely what the Brexit revolutionaries find most objectionable, whilst greatly underestimating the system's reach and power – but simultaneously a relative pygmy in hard power, and finds itself ill equipped to deal with the return of international great power politics, rivalries and spheres of influence the boundaries of which might be determined by force and even by annexation. As opposed to soft regulatory power, and economic and trading sticks and carrots.

This is not to revel in the current growing threats to the liberal rules-based international order or to accuse the EU of either naïveté or complacency in trying to act as its greatest defender. Far from it.

It cannot have escaped even the Brexit revolutionaries' attention after all, that at the very time they are trumpeting the leading role they believe the UK can take when it resumes its own seat at the WTO, it is the US which is calling into question the very viability and endurance of the WTO system, and viewing its binding dispute resolution system rather in the way Brexiteers view the ECJ – as the intolerable intrusion of a foreign Court which has no right to dictate anything to them....

And that large parts of the Republican US establishment seem to regret that China was ever integrated into the WTO system as if this might have been a last missed chance to curb its rise to threaten US strategic hegemony.

The US Administration now talks openly of inserting poison pills in its own trade deals with partners in order to prevent them signing deals with the Chinese. Who are to be viewed as an "adversary". The UK will soon find that it is not just the EU trade bloc that can be brutal in dictating terms. At some point, the advocates of Canada ++ and free trade deals with all major blocs will have to confront this reality.

The single greatest progressive global development of our lifetimes has been the extraordinary rise and growth of Asian economies, and of an increasingly populous Asian middle class, delivering unprecedented levels of global prosperity. Bringing China into the global trading system was, unquestionably, strategically wise.

One would imagine – perhaps I just mean hope - that Brexiteer free traders would, as they want to deliver these trade agreements with the fast growing economies of Asia, take a highly non Trumpian view of trade with China. Or will they just do whatever Trump prescribes, in order to try and land an FTA with the US, which will be on his terms?

But the relative losers from the rise of a huge Asian middle class – and they are angry about being squeezed – have been the working class and middle class of both the States and of Europe, including the UK.

That has clearly contributed to Western anti globalisation sentiment, to the rise of Trump - and to Brexit. And it will carry on fuelling the same sentiment about other EU elites unless they can clearly demonstrate that the EU can help deliver answers which address those people's political grievances. If not, it will indeed be Tony Judt's anti European international radicals and the nativist reactionaries

– the Melenchons and Le Pens, to pick a non British example, who say “to hell with your liberal rules based global international order.”

The EU was, to be fair, not alone in thinking its was the system which presaged a new model for 21st century international relations. It was Fukuyama, not any European, who said, just a decade ago:

“ I believe that the European Union more accurately reflects what the world will look like at the end of history than the contemporary United States. The EU’s attempt to transcend sovereignty and traditional power politics by transnational rule of law is much more in line with a post-historical world than the Americans’ continuing belief in God, national sovereignty and their military.”

Well, maybe.

Clinton, Obama and even Bush Presidencies, in different ways, had an optimistic account of the evolution of the post Cold War world. Post financial crisis, if the crisis of the liberal West is not on the scale of the 1930s, it is a lot harder to be optimistic about the future spread of liberal democratic societies and about the fate of an orderly liberal international order.

Second, EU integration has developed an extraordinarily sophisticated and rich method of resolving conflicts and defusing many disputes of the sort that in previous generations led to wars. But, as with the primordial emphasis put on defending the rules based international order and constituting one bulwark of it, this is far more about technocracy than about democracy.

To a considerable extent, notwithstanding my point about the repoliticisation of trade policy, particularly when that starts, internally in the Single Market project and externally in regional trade deals, to intrude on deep national, cultural preferences, this method has delivered results in fields where there are complex, technical issues of trade, regulation, competition and so on in which to hammer out compromises between conflicting national and sectional interests, but where some sort of consensus about the general objective is quite strong.

But this becomes vastly more difficult, and so far, much less effective on issues which any consensus about the general objective is lacking.

In new fields in which integration may well be required for policy effectiveness, because individual states’ actions may simply export or exacerbate the problems, such as migration and asylum policy, technocratic answers forced through on votes by qualified majority cannot and do not work. I think of an issue like the proposed relocation scheme for those refugees who had already arrived on European shores, on which, perhaps understandably, the instincts of the Commission were to devise elaborate legislative burden-sharing arrangements, rather in the style of a classic technical Single Market dossier.

But overruling Eastern European states by a qualified majority vote on an issue so close to national identity, could never work and duly was not implemented. The attempt to ram it through soured the political mood, narrowed the space for policy compromises and far from defusing the underlying values conflict, intensified it.

Third, and related to this, as was so brilliantly analysed by Peter Mair in his great book *Ruling the Void*, if you increasingly, at both European and national level, evacuate the space for genuine sharp political choices about direction, the public concludes that you may be able to change the people at the top of the system – though in the EU, you cannot even really do that – but you cannot really change the policies.

I once had the slightly dubious pleasure at one of the Permanent Representatives' lunches with the then President of the European Parliament, Martin Schulz, of questioning whether the politics of the broad church Grand Coalition in the Parliament working alongside the Commission of Jean Claude Juncker were really likely to make Juncker's supposed "Commission of the last chance saloon" a success, or were more likely to force any non Grand Coalition opposition to conclude that the only way to oppose was to aim to pull the entire temple down.

I am not sure the question made much sense in his conception of politics and policy-making. But the Commission of the last chance saloon looks like being followed by the Commission of the really last chance saloon...

As I say, it would be extremely foolish to deny, given European history over centuries, that the EEC's and then the EU's essential methodological device of developing a "protected sphere" in which technocrats could devise compromises to defuse what had previously been toxic conflicts, was a brilliant one. No-one can doubt the creativity and flexibility of the European model at its best on those kinds of conflicts where the immediate effects on peoples' lives are not that dramatic.

But in domains where they are – ranging from the migration crisis to the Eurozone crisis – this no longer applies. And in a world in which the domain for genuine electoral choices over direction has narrowed, if the fight ends up between technocrat experts with highly limited democratic accountability and populists who, as I say, believe that there is an authentic "will of the people" and that they are the only ones who can discern it, then we are in trouble.

The populists may indeed be utter charlatans with no policy solutions. But people do not want the central questions of their lives dealt with opaquely by unaccountable technocrats. And the EU has seen technocratic overreach as integration has percolated well beyond the fields the process of constructing a barrier free internal market opened up.

Technocratic overreach and thin democratic accountability is not just a problem at the EU level either, as Paul Tucker, in his recent work focussing primarily on central banks, has illustrated.

There is, of course, much more to be said on the extent to which monetary union, especially one with, in my view, serious design flaws from the start, changed the Union very fundamentally, and marked, and required, a completely different type of decision-making from a Single Market and Customs Union.

Fourthly, as we saw well before the Cameron renegotiation attempt, let alone during it, it has become inordinately difficult to change ANYTHING about the EU at the level of primary law: the Treaties.

The process is so slow, cumbersome, opaque and overloaded with players, all of whom will need to emerge with some visible success, and therefore likely, in the end, not really to end up delivering the changes for which it was opened, that democratically elected leaders understandably do not want to embark on the journey. For fear they would only get out several years later with a botched reform which they would then struggle to convince their voters made any difference.

But post enlargement, facing the migration crisis, and post the financial crisis and the consequential patches made to the Eurozone's construction, the heterogeneity of interests, policy priorities and of values has grown, compared with where we were 20 years ago. This, as well as the relationships with the "near abroad", notably of course Turkey, Ukraine, the Western Balkans as well now,

critically with post Brexit UK, and, as ever, Switzerland, would ideally force a broader institutional reform, which escaped many of the sterilities of the endless debate over variable geometry, multi speed Europe, concentric circles and so forth.

But precisely at this point, when parts of the citadel are under attack, and enemies, within and without, seem to want to bring the edifice crashing down, is a very difficult, unlikely juncture at which to open any highly ambitious process to recast the model of European integration.

But if one does not, then the heterogeneity to which I referred risks paralysis and stasis, whether on migration and asylum, on Eurozone reform or on European geostrategy.

The destination of post Brexit Britain comes into this. Unless it threw itself into core Europe, including both the Euro and Schengen – which in my view was never going to happen – or unless it commits to being the Trotskyite - or is it Bannonite and Farageist - vanguard of a revolution which it intends to export, aiming at the dismantlement of the Union, the UK has, for a couple of decades, really only had 2 choices.

It could seek to stay firmly INSIDE the outer perimeter fence of the EU, staying in the Single Market and Customs Union, driving the Single Market project forward, playing an active role in certain common policies and opting out of others, insulating itself to the degree possible from the effects of monetary, banking, fiscal and political integration, and entrenching itself in an outer tier, which ultimately it would either occupy alone, or find subsequently some others whose conception of their end destination within the EU matched ours.

This was essentially where David Cameron, no enthusiast for most facets of European integration, was seeking to head.

His ultimate view was that choosing to live outside the outer perimeter fence would be much more difficult. And that formal gains of sovereignty would either be outweighed by loss of real decision-making control across swathes of the economy. Or entail severe losses from the UK of business sectors, notably regulated goods and service sectors, whose business model was constructed around Single Market and Customs Union Membership. And that, contrary to the illusions running through the debate even now, does not just mean a bunch of privileged, incumbent multinationals. The effects would ripple right down supply chains to SMEs across the country.

Many Remainers obviously are very exasperated that Cameron did not make a more enthusiastically European case. But most do not themselves now argue that we should be joining the euro, banking union or Schengen. And if they did, they would not get 20% of the public. The reality is that if they could reverse Brexit, they would therefore want essentially his deal with tweaks. Our real choice has been outer tier membership of one key pillar of the Union, or full out, for a good many years now.

But he lost that case in the referendum.

The alternative is to leave, live outside the outer perimeter fence, and then decide how far outside you want to go and on what. The history of the last 28 months has shown that, strangely enough, virtually all the national objectives and preoccupations we had when we were within, remain national objectives and preoccupations when we are out. History did not begin in 2016 after all. Though the Revolution has not yet got round to rebasing the calendar and renaming the months. The 18th Brumaire of Jacob Rees Mogg has a ring to it...

As Xavier Bettel, the Luxembourg PM, summarised Brexit in a sentence better than anyone:

“They were in with a load of opt-outs. Now they are out and want a load of opt-ins”. Spot on.

The last 28 months have also been a discovery process for the British political class. It does not work like that. Flexibility is much much harder to elicit when you are than when you are in. And the club you are leaving is not going to alter its rules and do things which are wholly unprecedented for a non member, simply because you used to be a member. Nor is it going to offer you half way in, half way out packages on either Single Market or a Customs Union.

And that applies to Canada ++, SuperCanada or Supercalifragilistic Canada just as much as to the Facilitated Customs Agreement of Chequers. Because, as soon as you examine what is Canadian about these models, the answer is “not that much”. All the trouble lies in the multiple pluses.

Because the pluses added to a Canada deal to make it tolerable for an economy like the UK’s, whose trade and investment flows with partners across the Channel absolutely dwarf flows with a country 3000 miles away – British trade flows with Belgium are well in our top 10, as they will have been with that part of the world for most of the last 500 years, not something one hears in Brexit Britain – these are not the pluses Donald Tusk and Michel Barnier are talking about.

Fine words, poetry and ribbons are free and can be plentifully supplied for a Political Declaration this year to try and scramble to the exit on March 30 with a status quo transition to tide us to January 2021. People who have never really been too hot on detail can then, I suspect, be persuaded to celebrate liberation day without troubling yet too much whether what the 27 really mean by Canada++ is anywhere near their ballpark.

Speculation though about the immediate prospects is rather pointless, particularly as anything one writes could be out of date by the time of delivery. I continue to think that the risks of an accidental “no deal” caused by persistent British misreading of others’ incentives and views, and by the EU’s frequent inability to comprehend UK politics, are higher than is in the price. And I think Salzburg demonstrated precisely why I think so.

But for the coming years, if we do stagger over the line with a Withdrawal Agreement, coupled with a pretty thin Political Declaration which all – or enough – can just about swallow, I will make 3 brief confident predictions about where we shall be in 2 years.

First, we shall be having precisely the same debate over sovereignty/control versus market access and as frictionless trade as is possible from without as we are now. The trade negotiations, properly starting quite late in 2019 – a year of transition in Brussels and Strasbourg, and with the need for the 27 to agree amongst themselves a complex, detailed negotiating mandate for a new negotiator – will be getting to multiple real crunch issues. The private sector will still be yearning for clarity on where we are going, and not getting much.

The UK political class will, finally, be starting to understand what trade deals are, how mind-numbingly legally complex and turgid their provisions are, and how negotiations work. And that what they view as the essential pluses to make a Canada style FTA tolerable are precisely the big sticking points. And that all manner of strings, as alluded to by Claus Grube, will come into the deal. And that any one of the 27 Member States can come in with killer “must have” demands to which you either find the answer or you lose much more time.

Second, it will be obvious by early autumn 2020 – long before, in reality – that the deal will not be ready by the year end, and that an extension is needed to crack the really tough issues. The EU, in no particular rush to get this done, as it sits rather comfortably with the UK in its status quo transition, with all the obligations of membership and none of the rights, will use the prospective cliff edge to force concessions, or to offer a thinner deal, more skewed to its interests, in the hope that the UK is desperate enough, pre election, to get it done.

There will be some loud calls to jump to our freedom without a deal, because, over 4 years on from the referendum, remaining in purgatory transition is intolerable. There will be louder calls not to jump in the year running up to an election, when a breakthrough to an unprecedentedly good free trade deal is just around the corner...

Third, the Irish backstop, enshrined in the Withdrawal Treaty will still be in place, and no other prospective Agreement being yet in sight which obviates the need for it,

Let me close by venturing an even more cynical fourth. The Brexit revolutionaries will be saying Brexit has really not turned out as badly as the Project Fear Mongers told you it would. It's fine. And the counter-revolutionaries will be saying it's only not turned out that badly because nothing at all has actually changed yet, because we are in a long term purgatory transition with the Europeans having taken back control, and what was the point of that?