

## The UK and the EU: in or out?



On 25 April 2016 at One Bunhill Row, five speakers from both sides of the debate joined clients and partners of Slaughter and May to discuss whether Britain should leave the EU.

### The panel

Jeremy Paxman (chairman)  
Rt Hon Kenneth Clarke CH QC MP  
Carolyn Fairbairn

Dr Gerard Lyons  
Helena Morrissey CBE  
Sir Nigel Sheinwald GCMG

### The EU's achievements

For some on the panel, the EU represented an outdated model, originally designed to facilitate a single market, and now being used to redesign the legislative architecture of the entire continent - a task to which it was ill suited. In particular, they thought that the Euro had hampered economic and social progress.

Other panellists believed that the EU had spread peace, security, and economic prosperity to millions. They dismissed the idea that the EU had overreached itself, challenging the audience to think of one piece of EU legislation they would repeal.

The leavers responded to this by pointing out that the view from senior positions in business was very different from the view of average British workers. The latter, they said, might well take issue with a number of EU laws.

*“The man in the pub cannot name a single regulation that the UK opposed and that is causing a problem.”*

*“There’s a big difference between the boardroom and the coalface.”*

## Trade

Certain panellists made the point that, even after Brexit, the UK would clearly want to continue to trade with Europe, and that some kind of trading relationship would therefore be likely. None of the precedents for such a relationship were attractive to them. For example, the point was made that, under the Norway model, the UK would have to comply with EU laws without having any say in what those laws required. This, it was said, would not lead to an assertion of sovereignty (as the pro-Brexit camp might claim), but a further relinquishment of it.

From the other side came the point that, after high unemployment and high inflation, the most feared phenomenon in economic thinking was a customs union. The EU as a customs union was designed to benefit sellers of French produce and German manufactured goods. It was not designed to allow trade with the rest of the world, and - given how slowly the EU could move, representing 28 different sets of national interests - was unable to achieve that aim effectively.

*“The single market in services hasn’t worked well.”*

*“One thing we’re pressing for is the completion of the single market.”*

## The city

Those in favour of a Brexit thought that the City would not be significantly harmed by the change. London, they said, had long been a world financial centre, many years before the EU was even conceived - it could easily prosper outside the union.

Those against argued that Brexit would cause a great deal of political and market turmoil for many years, and questioned whether that was a price worth paying. There was no doubt that Brexit would mean short-term disadvantages, and they could not see any realistic long-term gain that would justify such a move.

*“The City will still be the biggest financial centre inside or outside the EU.”*

*“Uncertainty of really profound proportions... where are the sunlit uplands that make that worthwhile?”*

## Migration

It was agreed that one of the most important issues for voters would be immigration. Two effects of immigration in particular were noted: downward pressure on wages and the increased burden on public services. Given these effects, some panellists took the view that it was sensible to try to control immigration, particularly to let wages rise and ease the strain on schools and hospitals. Others agreed in principle, but said that leaving the EU was not the way to go about controlling immigration, because the majority of migrants whose arrival has these effects are from outside the EU.

*“Migration is the big issue for most people.”*

*“There have been some net extraordinary benefits.”*

## Predictions

The panellists were invited to predict which way the vote would go. All were far from certain. There was a very slight leaning towards a vote to remain, but the consensus was that uncontrollable events - like turnout, media coverage, or an ostensibly unrelated world news - could be the deciding factors. It was suggested that in reality, the whole referendum would turn on the last 10 days of campaigning, and on the strongest personalities that emerged on either side.