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THE U.K. ELECTION: TO BREXIT OR NOT TO BREXIT?

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P R O C E E D I N G S

MR. SHAPIRO: Hi, thanks and welcome to Brookings. I think we really appreciate you coming out on this very nice afternoon. We think it shows a real commitment to the special relationship to be willing to sit inside with us on a day like this and talk about the British election. But I should point out that this is a very interesting British election. Those are not words that I ever thought I would use in the same sentence, so we figured it's pretty important given the rarity of that circumstance to do an event.

Right now the polls show basically a dead heat between Labor and the Conservatives. And the coalition math is simply too complex to understand in a way which is very unusual in the history of British politics. So we're going to try to unpack some of that today as well as give some insight on U.S. and European perspectives on what's at stake in the British election.

I think we have a really great panel to do that today. On my far right is my colleague Tom Wright, who is here at Brookings and works on the Project on International Order and Strategy, and he's a bit of an obsessive on British politics. So if you have detailed questions, you should definitely ask him and he'll give us some sense of the coalition math.

To my immediate right is Geoff Dyer, a reporter at the *Financial Times* bureau here in Washington and, we are reliably informed, a British citizen. So he's going to give us the internal perspective.

On my left is Heather Conley, who's vice president for Europe, Eurasia, and the Arctic at the Center on Strategic International Studies around the corner. This is, by my count, nearly half the world. (Laughter)

MS. CONLEY: Building the empire.

MR. SHAPIRO: But she's going to focus on just that little important Emerald Isle today and give us a U.S. perspective on the British election.

And on my far left is my colleague Philippe Le Corre, who's a visiting fellow here at the Center on the U.S. and Europe and will give us some sense of the French and European perspective on the election.

So we'll start in the order that I just introduced them and start with Tom.

MR. WRIGHT: Thank, Jeremy, for that introduction, I think. (Laughter) So it is, I think, an -- it's been a pretty, I think, in some ways, a relatively dull campaign, but it is an interesting election because it's so close. I mean, it hasn't been a campaign that's exactly sort of inspired people. There aren't people and writers talking about this terrific sort of choice. No one seems to be particularly interested in Miliband or in Cameron, but they need to deal with sort of the choice that's on offer. And because it is so tight I think we're in for sort of quite an interesting night on Thursday.

The British election, for anyone who hasn't sort of watched one, is always pretty sort of fascinating because they count the results immediately. So the polls close at 10:00, the ballot boxes are driven to the count center. All of the candidates are there, completely exhausted, probably some of them have had a few glasses of wine or beer, and then they watch the count in real time. And if there's a clear result by the morning, by 9 a.m. the next morning the prime minister has either settled back into Downing Street or the moving trucks, which have been put outside the building, take him away and bring in the new prime minister within the hour. So it's a very -- there is no transition period. It's a very quick, quite brutal process.

And on the night you have all of the different candidates who are standing, so you may have the prime minister standing on stage alongside somebody from the Monster Raving Loony Party and alongside somebody else, half of them

dressed quite oddly just to make the impression on the camera. And then they'll often be questioned by members of the press, like Geoff and others, afterwards while they are quite tired and emotional. So it's definitely worth a lot, but I think an added sort of element this time is that the result is quite uncertain.

The polls have actually been very consistent and they've all sort of showed the same numbers. So it isn't that they've been fluctuating a lot. It's more that the numbers come out in a sort of hung Parliament, where it's very unclear. And I just took the latest sort of seat projections from Geoff's newspaper and website earlier today and they say -- the *Financial Times* predictions is that the Conservatives with 650 seats in total will end up at about 280, 281 they have; then Labor on 267; the SNP, the Scottish National, has some 51; the Lib Dems in about 25, 26; and then smaller parties under 10.

And what that basically means is that the current coalition comes in quite under what they need to be. You need 325, but when you count the Sinn Féin sort of party that doesn't take their seats you need about 323 to have a majority. And the Tories and the Dems come in about 16 short at about 305, 307 seats. Labor and the SNP come in about 318, so they're also short. So even if you add those two together, they're short, as well. But they're all within touching distance, which means that if there's a small swing in the last couple of days it could tip it for one or the other. But if these numbers stay, then it's sort of interesting. It's who can cobble together what.

And for me, I think that the smaller parties sort of come into the mix and will probably push Miliband over the top if those numbers are the actual numbers because you take three SDLP members, the sort of moderate nationalist party in Northern Ireland, who have always taken the Labor Whip so that pushes them up to about 321. And then you apply Cymru, the Welsh party, they have four votes. They'll probably be relatively easily bought as these things go, and so they push it up to 325. So

then they have a majority, but it's still very wafer thin and there's a lot of by elections because the 650 members, some of them die during Parliament and others resign because they're disgraced. And so you do have sort of a dynamic situation, so you can't really have a majority of one.

And so then I think the party to watch probably is the DUP, which is probably the closest to sort of Bible belt conservatism that you get in Britain. It's sort of the hardline Unionist Party in Northern Ireland, and they have nine votes. They'll have nine seats, which is a relatively significant number. It's three times the largest number that anyone predicts for UKIP, who are estimated to be on one to three. And they could push, I think, Labor over the top to a majority, a working majority, of about 10. And the reason they would, they're more naturally sort of Tory in inclination, but they could switch because they are big spenders. They disagree with austerity. Their big issue is to get 1 billion pounds sterling more for Northern Ireland economy. And they're also, unusually enough, concerned about the conservative rhetoric on the SNP because they feel by delegitimizing the SNP, the Tories are actually undermining the union.

So my prediction, I think, if these numbers are right will be for sort of a very odd bedfellows minority government of Labor backed by the SNP, the SDLP, Plaid Cymru, and the DUP. It's a really weird coalition -- not coalition, but a really weird arrangement because you have the arch union MPs with the arch nationalists. But I think that's sort of where those numbers would come out.

Now, there is an alternative, which is if the Tories get a little bit of a bump, just 10 seats, then they're within touching distance. They'll end up with the Lib Dems and about 315, 316. And in that case the DUP would hold the balance of power and they could switch either of those two blocks in. And in that case, I think they may go with the Tories if that was a viable option.

So either way, I think you're talking about a very narrow majority government and that it will be minority in the sense it'll be a formal coalition of the Lib Dems and the Tories, but they'll only command a working majority of less than 10. In that case, I think one thing to keep an eye on is that you'll have this battle immediately afterwards if parties need to decide who to go with and who to push over the top, Miliband or Cameron. The two parties will make competing claims.

So you remember here when there's a split decision, some people say the Electoral College, you know, and other people say the majority vote, and that's sort of used to delegitimize one side or the other. Well, in the U.K. it's going to be the largest party will say they have the right to form it and then others will say they command a majority of the Commons. And of course, traditionally, the majority of the Commons is the important thing, but the Cameron camp have been sending out signals over the last few days that they're actually going to emphasize the largest party. So if Labor pushed over by the SNP, they'll say that's not legitimate because he lost the election. The headline in the Daily Telegraph, which is supporting Cameron, yesterday said, "Miliband's plot to get to No. 10 even if he loses election," and the definition was losing the election was becoming the second largest party. So that's something, I think, to watch on Friday if it carries over into it.

So I just want to finish up with just one thing. I thought that, you know, if either of those two things happen, what is the next four or five years going to look like? And I think it will be a very unstable government regardless of what happens. And the instability will come from different sources, I think, depending whether it's Labor or if it's Conservative.

If it's a Labor government, a new law that came into being in 2011 I think will be particularly important. It's the Fixed Term Parliament Act, which says that you

cannot have snap elections. You can't have early elections. You can only have elections every five years. So they say every five years on the first Thursday of May there'll be an election. And there's only two exceptions to that: one is if two-thirds of the House of Commons votes to have an election, so that's a simple majority; or if there's a vote, an explicit vote, of no confidence in the government, then 14 days after that, if no other government has been formed, Parliament is dissolved and there is an election.

Now, this is quite unusual. Before that, if a government lost a budget vote or if they just lost a confidence vote or anything else, then it would often trigger an election or the prime minister could decide that he or she would hold an election quite quickly. So without that, what it means is if the SNP are propping up Labor, they can hold them hostage basically, you know, whenever they want. So they could vote down a government knowing that it wouldn't trigger an election and say come back with a better offer, and they could plunge the Labor government into chaos basically on a regular basis knowing that they would have this safety net, that there wouldn't be an immediate election.

So I think you will see significant instability if you have this very small majority government over the course of four or five years, and especially if the SNP want to exert leverage. And Nicola Sturgeon, the leader of the SNP, won't even be an MP. So she won't even be in the Commons because she's a member of the Scottish Parliament, so there'll be somebody else in the London. So you'll have this very odd arrangement of bargaining.

If it's a Tory government, I think that will matter a little less because the Lib Dems and the Tories actually got through okay on this fixed term Parliament thing, although they might have a problem with their hardliners. There, I think, as we'll talk about a lot, I'm sure, the big problem will be Europe. You'll have a significant part of the

Tory Party that is dead set on the referendum in 2017. The DUP, if they do ally with the Tories, are on record as saying not only do they favor a referendum, they favor voting to leave in the referendum, which is different than Cameron's position. And this will basically be an all-consuming task.

They have 18 months to prepare for a referendum with virtually no preparation done so far, no negotiation done with Europe. So this will be an all-consuming task for the new government, to reach some arrangement with the rest of the European Union. Because remember, Cameron wants to stay, so he wants to have a referendum, but campaigned to stay in and to hold all those people together. And if for some reason UKIP is actually part of this mix, they will insist on having it in 2016, so there'll actually be a referendum next year, which is their sort of redline issue in any negotiations.

So either way, I think it's going to be a pretty internally focused U.K. government for the foreseeable future if the numbers are anything close to what we think they are now.

MR. SHAPIRO: Thanks. There'll be a test on all of that at the end, by the way. (Laughter) Geoff, you want to pick up on that?

MR. DYER: Well, first of all, thank you very much for inviting me along today. Just picking up from Tom's outline of the situation, I'll just offer three broader thoughts, if I may, on what's going on and what's important about this election.

The first thing is really, as Tom mentioned, is just how incrementally fragmented the British political system seems to have become in the last few years. I'm rather reminded I actually came to Brookings a couple of months ago for a similar event before the Israeli election. And there was this momentous election in Israel. Netanyahu had just given the speech here. The Iran talks were going on. He was tearing up the two

state solution. But before you could get to that discussion, you had to go through a 20-minute very dense presentation on the various coalition makeups and what religious parties in Israel think and how the left organized with Meretz, and so on and so forth. And it's become kind of similar in the sense of Britain. I mean, it's a very, very fluid, complicated situation, as Tom was laying out.

And if I could just give you one brief plug. If you are at all interested in this there's an app on the FT.com website called the Coalition Calculator. And it really goes through all the million various possible permutations that are going to be on the table on Thursday after the election result. It's an incredibly complicated and incredibly difficult --

MR. SHAPIRO: You're not allowed to use that for the test. (Laughter)

MR. DYER: For the first time in my adult life people are suddenly saying, well, what actually do the Ulster Unionists want? What will we need to buy them off? I mean, it hasn't happened for a while. These parties have been around for years, they've always had a few members of Parliament, but we never had to pay any attention to them. And all of a sudden, they're becoming very important.

Why is that taking place? Well, I mean, the specific reasons would be to do with the three main political parties, all of which have become contaminated in important ways. The Conservative Party is still seen as being the nasty party. Even though actually the economy has done relatively well the last couple of years, it's done better than most of the rest of Europe, it's performed somewhat similar to the U.S., the Conservatives haven't really got full credit for that. They're still seen as in the party of the rich, of the elite, of the city. They haven't really been able to broaden their appeal beyond that even though they've, some people would say, manage things quite successfully the last couple of years.

The Labor Party are still profoundly damaged by their record in government for having the role in starting the Iraq War and the role in causing the financial crisis. They still haven't recovered their credibility from that. They're also severely wounded.

Then the Liberal Democrats, who you might have thought might be the people who would roll in and pick up in that situation, they've been badly damaged by the fact that they've been the junior coalition partner for the last four years and they've lost a lot of their identity. They had to make some very big compromises that have undermined their credibility with a lot of their voters.

So all the three parties are severely damaged in important ways. That's opened up space for other parties.

Now, maybe one shouldn't read too much into that. We've had these kind of cycles before. We had little weak governments in the 1970s and the big parties managed to reestablish themselves. But it does feel as if there's something bigger going on this time. It does feel as if there's a broader breakdown in the political system, a bigger shift within the political culture.

It's important to point out there's a deeply, deeply anti-political atmosphere in the U.K. at the moment, much more so even than in this country or the Tea Party phenomenon. It's a kind of cynicism about politics that really took root in the Tony Blair years around the Iraq War and some of the debates then, but it's really gathered pace in the years since then. It's become stronger every year. And so you have phenomenon like Russell Brand, the comedian, who if he was to stand on this stage a lot of you might think of him as being somewhat narcissistic and incoherent, but he's become a very, very important factor in this election. He has 9 million Twitter followers and it was a big deal the fact that Ed Miliband went to have tea with him the other day at

his London house. So you have these odd kind of phenomenon like Russell Brand that show you that the credibility of the political elite, the political class has been significantly damaged.

One result of that is a more populist edge to politics in this election of which both in their own different ways, the Scottish Nationalists and the UKIP, have taken advantage of this sense of the establishment are not looking out for us, that they're isolated and they're not looking out for ordinary people. That's become a much sharper edge in this election.

But actually it fits into an even broader kind of breakdown about this feeling that globalization is not really working for us. It's a sense you get in a lot of countries, a sense you get very much in this country at the moment. But it's these big, grinding economic issues that a lot of countries are facing about inequality and big finance and stagnant wages. We all know that these are the big issues that governments are facing, but no one really has any really coherent ideas of how to address them. And that, too, is undermining, I think, the credibility of the big parties.

That's the first point about fragmentation. The second point is to say that actually, like the Israeli election, this is going to be quite a momentous election, not because I think there's any big actual real choice between the main political parties. I don't think that's the reason why. It's going to be a momentous election because we are almost inevitably sleepwalking into a set of crises about the basic arrangements of how the country is set up and how the country is governed. Almost all of the possible permutations of coalition governments after the election will bring up these issues. This is the real essential background and also the consequence of this election. It's going to be asked the very big questions about what is Britain and what sort of country do we want to be?

That's going to be partly by the EU, which I'm sure my colleagues will get more into, but if it's a Tory led coalition, there'll be a referendum. But even under Labor, I think the EU issue is not going to go away. I personally take the view that we're probably bound to end up having a referendum at some stage in the next few years, one way or the other. It just feels as if events are pushing us in that direction.

But even more profoundly, what this election is showing is the Scottish issue is absolutely alive and well, despite the referendum last year when, at the end of the day, there was a relatively large vote in favor -- against independence, this issue hasn't gone away. And just to give you a sense of the political earthquake that is probably going to happen in Scotland this election, in previous elections -- there are 59 Scottish MPs. In previous elections, the Scottish Nationalists have only ever won 11 members of Parliament. That was their record. According to opinion polls, they could win 50 to 55. There's even one opinion poll suggesting that they'll win 59 out of 59 seats. So this really is a political earthquake and I think it shows us that rather than killing off the idea of independence, the referendum last year began to make it just acceptable to a lot to people in Scotland. The issue has really entered into the political DNA of the country and is not going to go away anytime soon.

And the SNP have been able to ride this very effectively. They've been able to present themselves both as a political party, they are the Scottish government, but they're also a movement, as well. They also stand for something bigger, and that's allowed them to rather float above the kind of mundane political realities when you have to make your sums add up. They've been able to get away with not being held accountable in quite the same way as other political parties.

That doesn't mean to say there's going to be a referendum necessarily anytime soon. It could be some time, I mean, while there might be questions, but it does

show you that the Scottish issue is absolutely not settled. That's going to be a huge part of British politics as we come out of this election.

And then finally, one brief observation about Britain's place in the world. I don't want to steal Heather's thunder too much, but if you are the sort of person who thinks that's a good thing that Britain plays a relatively outsized role in the world, that it's a good thing that Britain is a sort of loyal and regular and stable partner to the United States, and that is very much Washington's real view on British politics, then this is a very melancholy moment for you because Britain's already in a very kind of inward-looking sort of mood over the last few years. You've really seen that in the way that Cameron has played a lot of foreign policy issues. He hasn't been a sort of active presence previous prime ministers have been.

But this is much more than just a hangover from Afghanistan and Iraq. This is something, I think, much deeper and it's going to get worse in this next election because you're going to have a weak government that's almost going to be consumed by these European and Scottish issues for the next few years. It's almost inevitable you're going to have an even less engaged, even less active Britain over the next few years and maybe for a long time to come.

MR. SHAPIRO: Thanks, Geoff. That was very uplifting. (Laughter) So, Heather, narcissistic, incoherent, cynical, and inward-looking is what I got. That sounds roughly familiar to our political process. (Laughter)

MS. CONLEY: You're talking about the 2016 presidential election?

MR. SHAPIRO: How is it seen from your perspective from here?

MS. CONLEY: Well, thanks, Jeremy. And just to pull on Tom and Geoff's comments, this is a really important election and Americans need to take notice of it, not just because in some ways we have two of President Obama's greatest

strategists on opposite sides of this election -- we have David Axelrod working for Labor, Jim Messina working for the Conservative -- but for all those foreign policy reasons that you noted. This election will tell us a lot about what the U.K. will do in the next five years.

And when we think about U.S.-U.K. cooperation, we think of this incredibly close and dynamic intelligence-sharing relationship, military. Our militaries work together very closely, our diplomats, our international aid agencies. We are constantly working together with the United Kingdom at the U.N. Security Council, at NATO, basically at any international institution. We're trying to solve really difficult challenges. The British are our natural and our instinctive partner and we rely on them a great deal.

And if we just think about the tools that the U.K. has at its disposal, and this was part of a speech that actually Ed Miliband gave last week at Chatham House, I think it got lost in a lot of noise and clutter, but he listed, you know, the U.K. has the second largest international aid budget in the world, the fourth largest diplomatic service, the fifth largest defense budget. I mean, this is a country that has a great deal to offer. So why aren't we hearing more panting from the White House and concern about all of the issues that both Tom and Geoff laid out?

I argue that in some ways, over the last several years, mutual ambivalence has entered our bilateral relationship. And I think to Geoff's point, I think in some ways both the Obama administration and the Cameron administration had to distance themselves so greatly from their predecessors. So in that intensity of interaction between Prime Minister Blair and President Bush, we were in each other's business all day long, and Cameron and Obama had to step away from that. And in some ways, we went from an era of intense engagement to one that had more renewed focus on diplomacy and other tools, but there was less dynamic engagement between our two

capitals.

I would also argue that the United States simply is just not as involved in European affairs as we once used to. The crisis in Ukraine is bringing us back to Europe, certainly, but in some ways we've been less involved. And we do ask Europe for many things: more sanctions on Iran, more help in Afghanistan, join that coalition against ISIS, we need you to increase your commitment to defense spending. But we simply don't ask as much as we used to. And I think that's why over the last several months and years we've become increasingly surprised by what our British colleagues do, surprised by very deep defense cuts in 2010. And I think this is why many U.S. officials have been very outspoken publicly because the British are about to redo their security defense review and we're very worried that we're going to be surprised again by deep cuts.

We were surprised by the Scottish referendum and very surprised that it got very close, frighteningly close to an independence. Yes, we were surprised by the Libya intervention and the eagerness for intervention in 2011. And then we were surprised by the failed House of Commons vote on Syria. And certainly, it seems the White House was surprised by the British support for the Asian Infrastructure Investment Bank.

And so I'm worried that we're so surprising ourselves with our actions that perhaps we are not understanding this tumultuous political and economic dynamism. We have to understand our allies much more closely to ensure that we are working closely together.

So what does this mean about the ultimate surprise, which is Thursday, which we don't know quite how this will work out? We may be in suspense, quite frankly, what I'm hearing maybe even for a few weeks, depending on how this calculation works. Again, I'll refer back to a speech that Ed Miliband gave to Chatham House the other

week. And he said if he'd become the next prime minister, he would ensure that the U.K. would be unified at home, strong, confident, and outward-looking. And I think we could all subscribe to a U.K. with that perspective.

But as Geoff very well said, I'm not sure any government formulation can live up to those aspects: unified, strong, confident, and outward-looking. Indeed, if David Cameron is reelected, the U.K. is going to be consumed for the next two years, if not 2016 if it's pushed forward, about its role in Europe.

I have to tell you, it's very ironic to me. The United Kingdom will hold the rotating EU presidency the second half of 2017. So spoiler alert, I know what's going to be on their presidency agenda: it may be their referendum. How ironic is that when they're leading the EU, that may be the exact timing of the referendum?

And I think, again, this is one thing the United States counts on the United Kingdom, to be that strong voice in Europe, to push for unified messages on foreign and security policy. And we've really seen for the last year and a half, two years, that voice has been greatly diminished. And the United States is reaching out more to Paris, to Berlin, to other instruments to try to galvanize that support. We would like to have a strong U.K. in a strong Europe, as the Obama administration has repeated many times.

If Ed Miliband and Labor wins, exactly again to Geoff's point, we see where a united United Kingdom may be called into deep, deep question and how that will just absorb the British political space and not allow for an outward-looking U.K. And there's so much work to be done and we need our most capable partner to do that.

So Jeremy challenged us to make predictions and this is predicting the unpredictable. What I did learn from the Scottish referendum: ignore the polls, follow the bookies. You know, where the money is, they proved far more accurate in telling us what

happened with the Scottish referendum than the polls did. But I think, again, regardless of outcome, to echo Geoff's comments, we see an increasingly fragmented political space. It's not just in the United Kingdom. We could have the same conversation about Spain, where the two establishment party, center left and center right, are collapsing. You can argue that in other European countries. The political center of Europe is failing and this is allowing an incredible amount of fractured dynamism that the United States is barely able to keep up with and what it means for U.S. interests and a strong transatlantic relationship.

So the stakes are very high. We need a strong U.K. But I think as we're seeing those calculations, I think we're all quite sober in our view at how much political energy London will be able to devote to external challenges, be that from Russia, from ISIS, from a growing Asia dynamic. And so I think we've got a lot of big challenges on our hands.

Thanks, Jeremy.

MR. SHAPIRO: Thanks, Heather, for cheering us up. (Laughter) Philippe, how is it seen in Europe?

MR. LE CORRE: Well, actually I find British elections to be rather a lot of fun, despite what you said, but this one particularly. One of the good things about British elections is that they don't last for very long, only three weeks. And they are very intense and, you know, the canvassing and all this part is actually quite entertaining.

But I'm afraid I share my fellow panelists' views that this is a rather unpredictable race and, also, the stakes are pretty high. And, unfortunately, whatever the result, it's not going to be very good for Europe, not that the Cameron premiership has been particularly good for Europe.

And I have to mention since I said his name in passing that Tony Blair's

legacy perhaps we can say that today his shadow is over this election in at least two ways. One is perhaps the devolution that he implemented as prime minister in the late '90s, where he actually organized referenda for both Scotland and Wales and Northern Ireland, so actually three places. And they now have devolved powers, they now have devolved assemblies, and it's working pretty well. Because as Tom mentioned at the beginning, Scotland is now pretty much run by the SNP and they might very well win all the constituencies of Scotland, as well, for the Westminster Parliament. Wales is run by a coalition. Plaid Cymru is a member of that coalition. And Northern Ireland is run by, you know, well, it's a different arrangement, but it's run by Northern Irish people as it has always been, but it is not connected directly to what's happening in London.

And the star of the race really has been Nicola Sturgeon, who became leader quite recently after Alex Salmond, the SNP leader and the first minister of the Scottish Parliament, decided to step down. And she became leader and she appeared as one of the most charismatic debaters and leaders in this campaign just because she has a very clear agenda.

First of all, she is fighting for Scotland. And it's very convenient because she's actually not running for a seat in Parliament. She will remain a member of the Scottish Parliament. And she appears as a king-maker in many ways. She could very well become a -- at least her party could be a member of a coalition in a Miliband government. Ed Miliband said he would not do that, but, you know, he actually needs SNP if he wants to govern, and it's not going to be easy in any case.

The other aspect just I wanted to add on Blair's legacy is the U.K. influence in the world and in Europe. Heather rightly said that British influence is declining. Two reasons: British Foreign Office has been dramatically reformed and reduced in numbers, in quality, in number of postings and so on; and the defense budget

is certainly coming down, and there have been calls even from U.S. officials for this budget to be increased. So there is a big uncertainty about this.

And on Europe, well, I mean, Blair was far from perfect, but he actually managed to become some kind of an ambassador for Europe here across the Atlantic and also was helping the U.S. in Europe. And he was actually quite friendly to both Presidents Clinton and Bush, which actually led to his fall in the latter case. But he actually believed in having a strong European Union and he believed that Britain could play a role.

Now, the problem with David Cameron is that he has basically withdrawn his MPs from the conservative group or the central right group of the European Parliament in Brussels. From a very early stage he decided to criticize the main candidate for president of other European Commission, Jean-Claude Juncker, and he lost.

And thirdly, I mean, he's been calling for this referendum on British membership of the EU, trying to please the populist parts of British politics. And we haven't mentioned that name. Tom briefly used it, U.K. Independence Party. That party is a populist party. It may not be as right wing as some other parties on the continent, including in France or in the Netherlands, but they are basically about Little England. They're about staying outside the EU, staying outside Europe, concentrating on England, you know, not giving too much power to Scotland and that's going to be a problem because Scottish MPs are members of the Westminster Parliament. And so the EU is basically not in a good shape already, but having a U.K. that is not a strong member has not been very good.

So in terms of the European security and external policies, obviously we don't have strong leaders in Europe now. I mean, I have to say perhaps Angela Merkel

would be the only one coming to my mind. And having weak leaders has not been very helpful to make decisions, to possibly get together with other world powers, such as the U.S. And the common defense and foreign policy of the EU has not been very fashionable these days. NATO is back, thanks to Ukraine, thanks to Mr. Putin. And honestly, the idea of a strong Europe is somewhat decreased.

I also wanted to say that the results of the past few years, of the devolution that has taken place quite successfully, is now leading to a de-United Kingdom in effect, with a very strong Scotland that may eventually become a separate country. They already call themselves a separate country. Wales is a smaller place, but it could certainly go for more powers.

And there's a question about England which is sort of underrepresented in this environment, with many regions of England that are not really -- I mean, that don't have powers like the Scottish Parliament basically. So there's kind of an unfairness for many of these regions that some of them have very strong identities. And they feel that, you know, there's a gap between London. And actually both Conservative and Labor leaders appear as quite remote from the average electorate. Even though David Cameron said that he knows a lot of poor people, we have some doubts about this. And, in fact, it may have been probably the same. He didn't go to the same school, but almost.

Many people in England feel disillusioned about the elites, about London, which has become a very cosmopolitan thing, which is a good thing in a way, but the problem is the rest of England feels quite abandoned by this. And so what British politicians of the mainstream parties have been doing is to say, look, this is Brussels, folks, you know. Nothing to do with us, you know. We've been doing our jobs. Westminster is fine. We don't know much about your daily lives, but it's all about

Brussels.

And it's worked quite well. The U.K. Independence Party has had some successes. We'll see how many MPs they end up with. But populism is certainly on the rise in England for some of the reasons that it's on the rise on the continent, which is the economic crisis, which is the fact Europe is becoming de-industrialized, that there's been the debt crisis, and all kinds of issues. And the problem is what do we do as a European Union? What do we do as -- what is the U.K. government going to do about these people? Creating jobs is a critical issue.

So, I mean, David Cameron has been sort of suggesting there should be more foreign investors, such as the Chinese or the Arabs or the Russians. I mean, that's not going to help the unity of this country, which is already kind of unusual because it's a United Kingdom with several nations. And I'm not really sure on the long run if the U.K. will remain the way it's been. And a lesser U.K. or a smaller country means an even more atomized or smaller Europe, and that's quite worrying for Europeans because that means our continent will play an even lesser role on the world stage.

MR. SHAPIRO: A lesser England. Philippe, in the event that David Cameron is reelected, his plan, as Tom mentioned, is to have a renegotiation with Europe and then to call a referendum to sort of approve that renegotiation, if you will, a renegotiation of the terms of British membership in the EU. So what is the view that -- in that case, of course, Britain's European partners become really essential to whether David Cameron can make a case to the British people. And I think we understand that this is a near-run thing under any circumstances.

What will Britain's European partners, what attitude will they take toward this effort to renegotiate, particularly in the case of France? What will they be looking for? What will they allow?

MR. LE CORRE: Well, honestly, it's a little bit strange that someone calls for a referendum and, at the same time, says he's going to support the U.K. staying within the European Union. I mean, we know the reason is because of UKIP and, you know, (audio drop 43:05).

MR. SHAPIRO: It's strange, but there it is.

MR. LE CORRE: Yeah, well. So anyway, the problem is I don't think anybody in Europe wants the U.K. to leave (audio drop 43:19). I hope certainly and I think some people in France are willing to offer joint cooperation on defense issues and on terrorism. I mean, it doesn't mean it has stopped, but, obviously, when you have rhetorical speeches that are basically anti-European, you know, not only during the campaign, but for the past few years, it's not helping, as I said, to unite the Europeans.

Of course, the fact that the U.K. is not a member of the euro zone has not helped either, but forget about that. But they don't have a say in all these economic issues and they don't have much of a say about Grexits. We had the Greek finance minister here.

So, I mean, defense and foreign affairs are about the only fields really where the cooperation through the European Union or international aid or things like that could work. And I think this is an ongoing conversation.

MR. SHAPIRO: So, Heather, you, I would say, sort of criticized really both sides for not tending to this relationship, if I'm characterizing you correctly. And, you know, this is a very worrying state of affairs, as you pointed out, for the United States, as well as for many of its partners. What should the United States be doing both in the course of this election, but, I think, since it's two days away, more importantly after it's over to actually prevent this sort of Little England phenomenon that everybody has been sort of pointing to with a scary finger?

MS. CONLEY: Well, I mean, there's such a limit to what anyone can do on the outside. This is for the British people to navigate through.

I think there's, in a larger perspective -- and some of this has evolved with the crisis in Ukraine and Russia, we are having to return back to some very basics in Europe, that the United States is a European power and needs to be engaged in Europe. That means engaged in its politics, its economics, its security dynamic. It's not sufficient just to come in and say would you please do the following? Great or, sorry, you can't do that, and we move on to other things.

We have to have that roll-up-our-sleeves mentality and be engaged in these parties, not be an observer, but understanding the politics are as they are and we respect them fully, but how can we work together? How can we prevent a fragmentation? Can we work closely with the next government to make sure that if there's an EU referendum that we're very clear and working with (inaudible) about the parameters and what this means for Europe, keeping the United Kingdom an outward-looking and engaged power and enhancing our communications.

We have some major strategic challenges with a revisionist Russia, with growing instability in the Middle East, in the Sehel. We have the rise of China, reclamation lands and challenging international legal norms everywhere. So we're either going to work together and defend those values or we're going to agree that they're up for negotiation and we'll have to figure out how that negotiation works.

That's why we need our partners strong. When Europe is weak, the United States is weak, and vice versa. So we really do have a vested interest in Europe getting out of this economic crisis as quickly possible. That's certainly for France, as well, having a united message. But that's going to require a lot of work on our part, not the occasional summit, not the, hey, I'm coming to Europe and we're going to have a

good meeting and then I'm going to go back and to do other things. It's that sustained leadership engagement.

We've lost that model for the last 15 years. And I don't even know if we return to it if things have changed and the shifts in the politics and the economics have become so significant it's going to be hard to claw our way back. And, quite frankly, we may not be welcomed back in a similar way, but we need to try.

But it's understanding that these elections are a big deal. This is a big election year. Finland just had a very critical election, Spain at the end of this year. The fragmentation -- and, oh, by the way, some of these political parties, Le Pen, Frente Nacional, and UKIP, there's some anti-democratic forces that are supporting anti-Europe, anti-U.S., anti-global message. We have to be very cognizant that these are forces that do not support strong democratic institutions, transparency, and democratic norms.

MR. SHAPIRO: Okay, hard work. I was hoping there was another answer. (Laughter)

But just to be a little bit more precise, in the event that there is this referendum, which Geoff says is almost inevitable either way, should the United States take a strong position on it publicly?

MS. CONLEY: Yeah. I mean, our best message is privately and working with the government and how to make sure that there is limited damage here. When former Assistant Secretary Philip Gordon dived into this issue publicly it went splat. Publicly, you know --

MR. SHAPIRO: He had bad advice.

MS. CONLEY: Well, no, no, no. I understood what exactly -- not you -- I understand what he was doing because some in the British political spectrum were saying we don't need that EU, we have the U.S. We're going to be perfectly fine. And

the mood was you have to send a clear message that, look, you know, we're delighted to strengthen our relationship, but it's not a substitute for a strong U.K.-EU relationship. But as soon as we sort of plunked in publicly, oh, my gosh, because these political waters are so fraught and so choppy.

So I think working very closely with our European partners we get to have a little, what we call in American terms, a little offsite maybe, a little conversation about how we make sure that, obviously, the will of the British people will be followed, but we want to make sure the U.K. remains an active and engaged power.

And I'm sure some British officials would say the same thing about the United States. Don't come back to your neo-isolationist tendencies. Where's American leadership? Where's that engagement? We have to help each other, boost each other to be more outward-looking when our political and economic tendencies are to return and look inward.

MR. LE CORRE: Is isolationist or is it the Asian pivot or the drive, the rebalancing towards Asia? I mean, that's the impression that --

MR. SHAPIRO: Isolationism is in the eye of the beholder, I guess.

Geoff, this sort of populist mood that everybody is talking about and everybody's mentioned and that you've been emphasizing, I'm wondering what the role of the sort of very harsh austerity that has been imposed on U.K. fiscal policy in the last few years has been, and whether you think that there is an opportunity to reverse some of these trends by approaching that policy in a different way. Or is it deeper than that? Is it more about the cultural trends?

MR. DYER: I think definitely the antipathy towards the Conservative Party is rooted in the austerity policies. The fact that they haven't been able to get the full political benefit from improvements in the economy, from the relatively strong

employment record, these are all rooted in the austerity policies they've implemented and are going to stick to and are going to have to do some more in the next round. That's definitely part of it.

But I think it goes much beyond that. And I think what's slightly not confusing, but what I don't like about the conversation in Britain is that in all sorts of ways we're trying to look at different constitutional makeups as our solution. So in England, the debate is about the EU. You know, the UKIP people say if we're out of the EU, then we could resolve all these problems to do with our economy, that we fear immigrants, and so on and so forth. In Scotland, people say, well, if we just get out of Britain and have our own autonomy, then we could resolve these issues.

But actually what people are not talking about is China. They're not talking about the fact there are a billion new people in the labor force. They're not talking about the competition, the way that globalization and technology and all these much deeper trends have caused this de-industrialization. And that whole bit of the discussion is really lost.

And, in a sense, some of these constitutional questions are a bit of a cul-de-sac. They're a bit of an excuse for actually really trying to address these deeper issues. And it's not like there are easy answers. I mean, they are the same questions that people are debating in this country and not really getting anywhere, but at least a bit more trying to go to the core of the issues here whereas I think sometimes these constitutional issues in the U.K. have become a bit of an excuse for facing up to the realities of the modern world.

MR. SHAPIRO: I don't know if you've noticed, but I'm trying in my own sort of feeble way to inject a little bit of optimism into this discussion.

MR. WRIGHT: Uncharacteristically so.

MS. CONLEY: Jeremy and optimism, that's not a sentence you often here, is it? (Laughter)

MR. SHAPIRO: No, but I felt the need after listening to all of your presentations. And so you focused a lot on the instability, the potential instability of the various coalitions that would happen and talked about a sort of more unstable, less capable British government moving forward under almost all of your scenarios. And what's interesting about that is that that was also the description of the last British government formation, not with quite so much strength, but basically nobody thought that this Liberal Democrat-Conservative coalition would last the full five years. And everybody predicted it would have all of this sort of governance hiccups that you described for the next coalition to a slightly lesser degree, but actually not that much lesser a degree.

So without sort of looking forward, what is the reason that we were wrong last time? Why was this Liberal Democrat-Tory coalition so basically stable and basically able to govern in a way that U.K. governments always have?

MR. WRIGHT: Yeah, it's a great question. I'm not sure that the premise is correct, actually. I don't think everyone was saying it was going to be everything stable.

MR. SHAPIRO: That was not a great question, but okay.

MR. WRIGHT: I am not sure that everyone was saying it was going to be inherently unstable from the beginning. I mean, I think the big difference is the Lib Dem-Tory coalition was a pretty standard coalition in any other country. You know, it was unusual in the U.K., but it was pretty straightforward. Only one set really added up to a majority. They had, what, 360 seats, I guess, out of 650 or so. So, you know, that's a very sizable working majority by 40.

And the Lib Dems had a big stake in the government because they were

in cabinet, you know, the deputy prime minister, they had a bunch of cabinet seats. So they very much had an incentive to stay in. And then the two leaders had a good sort of working relationship in that they sort of trusted each other in the way that the leaders of coalition parties usually trust each other at the beginning anyway.

This one will be a little bit different because under these scenarios, which, you know, if the polls are wrong maybe there will be a larger majority, but under these scenarios the majorities are very, very narrow. So they're majorities of between 1 and 9 or 10 seats, which means -- so that's the first thing, which means that any time a group of hardline Tories want to rebel over Europe, they can basically deprive the government of a majority in a way that, at the moment, that bar is set at 40. So it's sort of a higher bar. So a lot of people will have the power to sort of create mischief in a way that they don't at the moment.

But the second difference is that the SNP won't be at the cabinet table, so there's no prospect. They don't want to be at the cabinet table. They don't want it to be a formal coalition. So they will have a much less stake in the success of the government than most partners usually do. And they will be in this weird position of supporting it, but sort of on a case-by-case basis, although maybe a little more than that. But basically, you know, they can withdraw at any other time.

And then they do have a fundamentally different agenda to Labor in that they do want Scotland to be an independent country. And they are, you know, mainly focused on the Scottish elections, which I guess are in a year or two. And they're rivals with Labor there and Labor very much want to make inroads, and so they're pitted against each other in a way that coalition partners aren't usually directly pitted against each other. So I think it is a different dynamic.

And then, on the other hand, if you do have this Labor -- or sorry, Tory-

Lib Dem government that has a majority of five or six, I think you have the Europe question, which is on any Europe vote. Those hardline Tories can deprive the government a majority. So that's the only reason, I guess, I would be more pessimistic.

If you want a hope of optimism, if the SNP did sort of come to some sort of reasonable understanding with Miliband and Miliband was pretty adroit in managing the smaller parties, there's no reason it couldn't last. I mean, the Labor coalition that -- the Labor government that had a majority, was it four seats or three seats in 1974, lasted to 1979? It lasted for five years with a majority of only three. So, you know, it is possible, but it's more a victim or hostage to circumstance.

MR. SHAPIRO: Yes, they'll have to be very careful with their MPs crossing the street. (Laughter)

So that was my feeble attempt at optimism. Maybe the audience can do a little bit better and we'll take questions from you and see where we go. Right here in the front.

Please wait for the microphone and, when it arrives, identify yourself and please ask a question.

MR. GROBE: Hi. My name is Stefan Grobe with Euronews, European television. German Chancellor Angela Merkel was mentioned as potentially the only strong leader in Europe right now. And she probably is because she was forced into a so-called "grand coalition" with the social Democrats now for the second time, which makes all the smaller parties irrelevant. Is that something that is conceivable in Britain? Is it politically possible, culturally possible? What's your take on this? A grand coalition meaning the Tories and Labor.

MR. SHAPIRO: Tom, you want to take that.

MR. WRIGHT: Oh, I don't think it is. I think it's a different -- it's just

culturally different. There isn't the same tradition. It will be very difficult to sell in either party. It would probably be very damaging for whoever didn't have the prime ministerial position, which presumably will be Labor. And I think at the very minimum you'd need to have successive elections for that even to be thinkable and a major crisis.

So I think that's very -- or basically impossible. But I defer to Geoff, who probably is --

MR. DYER: I completely agree. There's just no history of it, there's no habit of it. It would be seen by a lot of people as a stitch-up, as well, as if that somehow you had this election debate that was all about Labor arguing against the Conservatives and Conservatives arguing against Labor, and then somehow you're going to come together as if you've just been lying to us all this time. It would seem like an elite stitch-up.

SPEAKER: You had it during the war.

MR. WRIGHT: Yeah, there is a history, but it's --

MR. DYER: Different set of circumstances.

SPEAKER: (audio drop 59:06)

MR. SHAPIRO: Hold on. We're coming right back to questions, so if you have a question just raise your hand and I'll, you know, consider calling on you. Anybody else? Yes, right here.

MR. DEGLER: Paul Degler with the U.S. Department of State. I'm just kind of curious about your view of what the SNP's priorities will be going forward. Let's assume that they form some sort of arrangement with Miliband and (audio drop 59:37). What will they -- because I'm kind of baffled. You know, they wanted to be independent, but, of course, if they'd gotten independent, with the crash and the price of oil, they would have been in big trouble. So now, apart from sort of torturing Ed Miliband on a regular

basis, what will their priorities be going forward as part of a working arrangement with Labor?

MR. SHAPIRO: Geoff.

MR. DYER: I mean, ultimately, they want to set the conditions for another independence referendum. The single best outcome for the SNP would be a return of a Conservative-led government. This is assuming that opinion polls are correct and the SNP do very, very well in Scotland because then they can stand up and say, look, you all voted for us. You voted for a left wing agenda and England has returned to this right wing austerity, Etonian-led Conservative government. These are two different political cultures, two different political environments. We should be independent. We shouldn't be part of this country. That would be absolutely the best environment for them. And they would, of course, have to take no responsibility for anything that happened in the government, as well.

A Labor-led government to which they are sort of a passive partner has advantages for them -- they can, as you say, torture Ed Miliband -- but it has some difficulties for them, too. And there's a lot of back history to this. You remember, go back to 1978/79, with the last Labor government under Jim Callaghan. The reason that government fell is because the Scottish Nationalists, who had only a handful of seats at the time, withdrew their support. And then you had an election and Margaret Thatcher was elected. For 30 years after that, Labor went around Scotland saying the SNP caved in support of us and brought you Margaret Thatcher, and did very well on the back of that.

And so the SNP will be very reluctant to actually topple a Labor government for fear that it would produce another Conservative government. So Ed Miliband would have some cards to play, as well. He could stare them down at every

point and say if you don't vote for me on this vote, if you don't pass my budget or pass my Queen's speech or pass this important bit of legislation, then the alternative is a Tory government and you'll get the blame.

So that's a much more complicated dynamic, but, ultimately, it would still give them some cards to play that could play for less austerity, they could bring up the whole Trident issue. And, ultimately, they're waiting for their moment when they can push for another referendum.

They're only going to get -- this vote in this election shows that there is still a lot of support of independence and still shows that it's a live issue. But they're only going to get one more shot at it in the next generation, so they have to know that they're going to win. So they'll be waiting around for the moment where they feel really, really confident, a set of circumstances that maybe create momentum behind them -- for instance, a euro referendum -- and that would be the moment they would choose to go for a referendum.

MS. CONLEY: Well, I think that's, Geoff, the other scenario, is a Cameron-led government that goes through an EU referendum which gives the excuse for SNP to say we are not going down that direction. In fact, I think during one of the earlier debates you almost had this -- we weren't quite sure how SNP wanted this served, either a Labor, anti-austerity coalition or actually was sort of hoping secretly that the Tories would win to produce the crisis that would lead to a second referendum.

The only other question, just to tag onto SNP, the SNP redline -- now this is to go into a formal coalition; we'll see on a case-by-case basis or what, if this formulation occurs -- is the removal of the Trident from Faslane. That has implications, obviously, for the British defense budget. Now, Ed Miliband has very clearly said he supports the modernization and the continuation of the deterrent. That's not his view, but

it's going to add a complication to a major security issue that the U.S. has very strong interests in. And that Trident subject, both the modernization and the potential movement from Faslane to, we would assume, to another location, huge, huge expenses that would devastate the British defense budget, which is already -- we're hoping that it's not going to go down any more.

MR. SHAPIRO: Philippe, do you have something?

MR. LE CORRE: Very briefly. One of the key questions that any prime minister will have to deal with is the West Lothian question, the fact that members of Parliament from Scotland and Wales can decide for England and the English MPs (audio drop 1:03:45).

You also mentioned the oil. My understanding is that the money from the oil in Scotland is actually given to the U.K. The U.K. pays back whatever, you know, public services. So it's not Scotland's money. It was a debate during a campaign many years ago, I think. There were these posters with an old Scottish lady, "It's her oil, as well." But actually it's hers, but it's also the English and the Welsh.

MR. SHAPIRO: Other questions? Yes, right here in the aisle.

MR. MOSETTIG: Mike Mosettig, PBS Online NewsHour. Mr. Wright, first of all, I think you've answered the question I've had for British elections over decades, is when they all come out on the stage with the stiff upper lips. Do they presumably know who's won and who's lost when the clerk actually makes the announcement? The other part of my question, you know, when they have the individual constituencies and they come out and announce, and I never knew whether the candidate standing behind the clerk knew the results before the clerk announced them to the public.

But the other question, it seems arcane, but it plays out here in the sense

that you're starting to see a fracturing of the center left in the United States, inside the Democratic Party, over Israel and Palestine. Miliband has come out, he moved the Labor Party on a pro-Palestinian vote in the House of Commons and there are some Labor candidates in London that don't even want him around, that this is not longer Manny Shinwell's Labor Party. Is there any likelihood that there's enough of a Jewish vote in any constituencies that could shift seats or shift the election?

MR. SHAPIRO: Well, you've warmed the cockles of a British politics obsessive.

MR. WRIGHT: I don't know the answer to either of those questions, actually. I don't think they know the result when they go up, as far as I know.

And I don't -- I mean, I think it's a slight irony in that Miliband will be the first, I think, Jewish foreign prime minister since Disraeli, but, as you say, he has taken a fairly pro-Palestinian approach to the Commons. But I don't think he's paying an electoral price for that. I don't think that's been an issue in the local constituencies, but I might be wrong.

MR. DYER: There's maybe two or three constituencies who are the Jewish vote who could in any way be said to swing it because they tend to be in North London and they tend to be fairly resolutely Conservative. Margaret Thatcher was the representative of one of them, so it's not an issue.

In fact, I would actually say an interesting thing that hasn't really been picked up much here is the extent to which not just the Labor Party, but broad swaths of political opinion in the U.K. are now in favor of recognizing a Palestinian state. And that vote in the House of Commons, a number of Conservative members voted in favor of it, as well. And this is one issue where I think the opinion's really moved quite dramatically in the last few years in lots of European countries, including the U.K. The U.S. hasn't

necessarily seen that that's happening and that's going to be quite a tricky issue, I think, for the U.S. to manage at the U.N. and so on in the next years or so.

MR. SHAPIRO: Okay, right here in the middle.

MR. HOOVER: James Hoover with Wilton Park. Thank you guys very much for this. I had a question that's sort of already been touched on, but I was hoping to direct it to Geoff and Thomas, and as specifically and practically as possible.

So Obama weighed on the SNP -- or sorry, the Scottish independence referendum and it kind of backfired on him. So thinking with complete, you know, all due respect to domestic U.K. politics, are there better ways that the U.S. can communicate the value that it sees in this relationship and the importance of these issues in a way that will be resonant to domestic British politics, which, obviously, aren't always that interested in what the U.S. thinks about these things?

MR. SHAPIRO: You start off.

MR. DYER: On Scotland, there's absolutely nothing to be gained by the U.S. saying anything. There's a relatively strong sort of anti-American sentiment in the Nationalist sort of PR. They talk a lot about Blair's illegal wars in Iraq. Obviously, they're very anti-nuclear deterrent. And so for an American president to try and intervene in that in anything other than a generic kind of way is only counterproductive.

Unlike Heather, I actually think there is a role that the U.S. could play in a European referendum and it's precisely, as you said, one section of the people who want to withdraw from the EU make the argument that our natural place, Britain's natural place in the world is as a transatlantic union. It's to be a partner of the U.S. And so for an American government to be saying very clearly that we want the U.K. to remain a very viable and active member of the EU, I think, is a very valuable thing. It has to be done in a kind of subtle way, in a way that tries to diminish possible political repercussions, but I

think that is an important message to be got across at the correct time.

MR. SHAPIRO: Subtlety is our specialty.

MS. CONLEY: Yes, it is.

MR. SHAPIRO: Tom, do you want to answer that?

MR. WRIGHT: I would just add that, you know, I think there's a limited amount that the U.S. can to do. I mean, I think this is largely an internal conversation. Foreign policy hasn't really featured in the campaign at all. Not even the EU referendum is really featured. But I think over time that will change, particularly with events.

I would just note that Miliband said as part of his case for why he'll be a strong foreign policy prime minister, said that it was standing up to an American president over the action in Syria was an example of that. So I think it is a very unusual situation that we've gone from Tony Blair, you know, to the situation where the leader of the Labor Party uses opposition to Washington as his calling card.

MR. SHAPIRO: Let's go to the back here and take the woman in the blue.

MS. STEEN: (audio drop 1:09:41) Steen, International News. I just wanted to follow up, it seems to me what the panel is saying is that with this election the U.K. is going to go into a decreased, a lessened position internationally. It will be less outward-looking. So Ms. Conley brought up the international challenges and what decreased U.K. involvement in that will actually mean. So if Ms. Conley could continue. What kind of negotiations would Great Britain be involved in if they step back from a more active role? And then what that will mean for the U.S.-U.K. partnership, special relationship, and if some of the other panelists have thought on it.

MS. CONLEY: Well, again, I think taking some cues from the speech that Ed Miliband gave at the Chatham House, I think it's just more activity, more

engagement. So if we look towards the conflict in Ukraine, would there be a larger role, I would argue, for both the U.S. and the U.K. in the Normandy format? Widen the scope of diplomatic engagement in trying to resolve the conflict.

Would we see a more activist approach by the U.K. in the Middle East? Would we see more focus on South China Sea issues? Again, just a broadening of engagement and more diplomatic as well as security activity.

I mean, I need to say that the U.K. is there. They are present, they are engaged in the Iran negotiations. It's not that they have disappeared. But we're used to or accustomed to a more activist -- you know, sometimes we need to be pushed and sometimes the U.S. needs to push, and we just haven't seen that interaction. But I would argue we need the expertise and the knowledge of our British colleagues in almost every place, so I'd like to see a much more stepped-up and activist diplomatic role across the board.

MR. SHAPIRO: Is there a difference? In the election for this, does it matter for this whether Labor or the Conservatives take charge?

MS. CONLEY: Well, I mean, I don't know if we will see a great difference in foreign policy between the two, at least their stated policies. I think it's going to -- again, budget, where do we put the focus in the funding? Where do we see the British putting their resources?

And I think it's also, you know, in our system, as well, we look at personalities to try to divine how will they engage, how will they be interested. And, I mean, there are concerns that the shadow foreign secretary may not make it back into Parliament, someone we've worked with and would know. So there may be new faces in both the Foreign Office as well as potentially Defense Ministry. Getting to know those colleagues, getting engaged, that'll be a first important step.

MR. SHAPIRO: Anybody else want to come in on this?

MR. DYER: Yeah, I would just say, I mean, the obvious big difference is on Europe, and I think that's a foreign policy question. If Miliband is elected, he has a great opportunity to really take advantage of the fact that he's not in favor of a referendum to turn the page with the rest of Europe, maybe negotiate some compromises that wouldn't be linked to a referendum, you know, trumpet those as a success and then build a more constructive relationship. And so there is, I think, a very clear path to a solid sort of foreign policy victory within his first 12 months.

I don't think Trident, by the way, on the SNP thing, will ultimately be something they push on. I think it's leverage that they'll use for what they really want, which is more money. And, I mean, they want additional sort of concessions that would exempt them on certain things which will be a problem. The Tories won't like that from an English point of view, but that is something I think Labor will find it easier to give than Trident.

MR. LE CORRE: And if I could just, I mean, we're not going to see the return of the British Empire. That's pretty sure. The only way Britain could move back on stage would be with Europe, really. The problem is Cameron has shown for the past five years that he doesn't believe in Europe, and he's done a couple of attempts, but he's been very laid back on this for the past two years. Miliband at least had done this clear statement at Chatham House and I don't know whether it's the Blair or Brown legacy after all these two previous Labor leaders, but he's trying to distinguish himself from Cameron. So, yeah, I mean, internationally, certainly a Miliband government would be more outgoing in foreign affairs.

MR. DYER: He does, Jeremy, I think he does deserve credit for that, too, you know, because two years ago a lot of people predicted he would fold and

promise a referendum as well because of public pressure, and he hasn't. I mean, he has held the line against promising referendum.

MR. SHAPIRO: Okay, let's take a question here in the middle.

MR. HARRIS: Good afternoon. My name is Geoffrey Harris. I represent the secretariat of the European Parliament here, but I ask my question as somebody who is young enough to remember precisely the circumstances of June the 5th, 1975. That makes it, I think, 40 years minus 1 month.

MR. SHAPIRO: Is that when the Red Sox lost the World Series?

MS. CONLEY: Oh, Jeremy. (Laughter)

MR. HARRIS: Sorry, I don't remember. I do remember that that was meant to have settled the issue. But anyway, I'm not going to talk so much about the British politics, just to answer Michael's question. The candidates do know the result because if you are a candidate you're allowed to wander around the room while they're counting up. You'll see that on TV, so you basically know if you've won or lost by the size of the piles. And even when it's pretty close, I think they give the candidates the results just before.

But if I could bring the discussion back to, shall we say, the normal issues you discuss here: aggressive Russia, rise of China, crisis in the European Union. Because whilst Britain is very important, I totally agree with Heather, it's a very, very important issue, but not just for transatlantic relations. I mentioned the referendum 1975. One of the things that struck me as a research assistant at the time was the fact that the Soviet embassy really wanted to know what Labor would do if they got into power in 1974, and were very keen to convince Labor to be against the common market, as it was lovingly called, whereas the Chinese embassy, Mao Tse-tung was still there, were very, very keen that Britain should stay in the European community. I wonder how Russia and

China will observe this because now they more or less take a similar approach to international relations, at least in relation to some of the issues.

The other thing is the renegotiations because we talk about the election, we talk about the referendum. But it is, if I may say so, how the other member states will react. Mr. Juncker says things which more or less say, well, the British shouldn't push their luck, all this kind of thing. And, you know, how far are the other countries really going to go to want Britain to stay? Because, again, in 1975, it was crystal clear that anybody serious in European politics, left, right, center, wanted Britain to stay in.

Finally, maybe for Philippe or for others, if the British do head towards a referendum, there's a French election, I think, in 2017, won't the others get the same idea? After all, British people are associated with democracy and common sense and wisdom and all this kind of thing. Maybe others will be, well, can't we have a referendum in Italy? We may even have a referendum in Greece next week for all I know.

MR. SHAPIRO: Okay, that was a rich question. Who wants to start on that? Philippe, you were named.

MR. LE CORRE: Okay. Well, I mean, I'll just say a word about China because that's a subject of interest to me. Basically, China has been very good at dividing Europeans over the years, so they have an interest in the U.K. election. The U.K. is a player in China, as are other countries. And, as you know, it was stated before Britain was the first country to decide to join the Asian Infrastructure Investment Bank, so it was seen as a victory for David Cameron. I'm not sure it was seen as a victory for Europe because, you know, the other Europeans were actually waiting to do the same. But, you know, in the end, we end up with a divided Europe, so it's not good for Europe.

On your second question, I won't talk about Russia, don't know much about it. But on France possibly having a referendum, well, as you know, at the last

referendum, which was lost on the EU institutions, the current foreign minister actually was in the “no” camp, Laurent Fabius. And it was seen as a tactical move because it’s challenging the leader, who was at the time the current French president, François Hollande.

So, I mean, honestly, there are the same problems in France as there are in the U.K.: rejection of the elites, populism, economic crisis, unemployment, all these things. Whether it will lead to France leaving either the euro zone or the EU, honestly, we have still a long way to go. And if that was the case, then we can say goodbye and goodnight. But, you know, honestly, I don’t think we’ve reached a situation like that.

MR. WRIGHT: Just on the question on the referendum, I mean, I think this will be an all-consuming issue for two years if the Conservatives are returned. I mean, it’s an extremely complicated process to figure out just what the renegotiation is going to look like. Is it a set of principles? Is it formal concessions? It’s probably not going to be treaty based. So what’s the ratification mechanism? In the other countries, you know, what is it that they want?

And so far, virtually nothing has been done and partly because the rest of Europe is waiting for this election to see if there’s even going to be a referendum and partly because Cameron hasn’t been very serious about explicitly saying what it is that he needs. And as I mentioned, there is a chance if the coalition is configured in a certain way that the referendum will be brought forward by a year to 2016, which would mean it would really be all hands on deck from their point of view.

So I think it will be a huge issue. I expect the rest of Europe to basically bend over backwards to try to accommodate them regardless of what they’re saying now, with the obvious redlines about freedom of movement to people and so on. But I think

they really will try and I think it will consume a lot of the energies of the different governments to now and then, which I think is one reason most people who looked at this issue hoped that it will be a Labor government so that's all avoided.

MS. CONLEY: I think 2017 is a trifecta year: French elections, German elections, and potentially this referendum. So the EU 3 will be in total focus on themselves and the inner workings. That's not necessarily a fortuitous alignment.

You know, Tom, I don't know if Europe will bend over backwards. I think there will be some bending, but I think the accommodation, the spirit of accommodation has somewhat dissipated. They've been very frustrated with Prime Minister Cameron not signing onto the fiscal compact, the Juncker issue, sort of being very gratuitous and fighting Europe. But I think this is going to be up to Chancellor Merkel to see how much room there is to whatever reforms that the prime minister could sell back, and we don't know how this will look.

On Russia, I think, clearly, the Kremlin would have some interest in a weakened, divided, distracted Europe, less enthusiasm, less energy and focus on Ukraine, on Moldova, Georgia, the neighborhood policies.

I think China would have the absolute opposite perspective. China's investing more in Europe. It wants to see stability, obviously, as it transitions economically. I get visits by Chinese diplomats quite frequently, very keen to understand Europe more. They want to see the stability as they enhance their own commercial interests in Europe. So they may have a slightly different view on how they would like to see Europe evolve.

MR. SHAPIRO: Okay, why don't we move to the lightning round of questions? We'll take maybe three more and then we'll give the panelists a chance for a last word so that they can ignore the questions if they choose. So why don't we start

here in the second row?

MR. YATOV: Good afternoon, guys. My name is Otzev Yatov and I really enjoyed this conversation. I notice, also, I mean, there's been talk about this, maybe I don't know how much, but about a constitution for United Kingdom. And I guess it's kind of a contentious issue. You know, I understand that, you know, British people don't necessarily believe in having a formal document. There's been so many documents over the years, over the centuries I should say. Is that a panacea? Is that some sort of solution for the current crisis of the United Kingdom? And is there talk about it? And what will that spell out? What are your views about that? Thank you.

MR. SHAPIRO: In the back.

MR. MAGRINE: Hi, Liam Magrine. I'm a student. I will try and be brief. Third parties haven't really been a big issue in British politics until very recently. What explains this sudden surge in third parties?

MR. SHAPIRO: That was admirably brief. One more question. I'm not seeing it, okay. So why don't we just give the panelists a chance to answer those questions and to have any last words that they want? So we'll go in the opposite order that we did the thing, so if you want to start, Philippe.

MR. LE CORRE: Sure. Thanks, Jeremy. On the last question, surge of third parties, well, I mean, obviously, I think it's connected to the devolution process that was established after many, many requests from people of Scotland and Wales, and that was a process that took place. The Lib Dems, they weren't in government for many years, but they tried to have a coalition with Labor that didn't work out under Blair, so this time it worked with a Conservative government. And that may be, actually, an example of a coalition government that has worked fairly well in the U.K., and that may be a trend because, obviously, it looks like the two major parties won't have an overall majority.

On the constitutional convention, I mean, it's obviously going to take some time, but that could help solving the West Lothian question and the relationship with Scotland. But it looks like the Scottish story is not over. Scotland is very pro European, unlike, apparently, a majority of the English people. Scotland was close to winning -- I mean, the SNP was close to winning the referendum. So if it's some kind of new constitutional arrangement between England and its neighbors or something like that, that may, but, honestly, to me that's the beginning of the end for the U.K. So, I mean, I don't know whether they should enter into this kind of process.

MS. CONLEY: Just briefly, on sort of electoral form, one of the Lib Dem platforms was trying to get changes to first pass the post to try to alleviate I think some of the challenges that we're going to see in the election. I would understand how UKIP voters, perhaps 12, 13 percent, may only have 1 or 2 seats in Parliament. There's something wrong with the system when you have a popularity, but it cannot be expressed, and so I think there will be a continued focus on trying to find those electoral reforms and perhaps a new push.

On your question on third parties, while, yes, there may be some very specific aspects to devolution, again, I see across Europe the political fragmentation as the collapse of the political center. Some of that's generational. Some of that is just anti-establishment that for decades the center left and center right have produced the mess that we are in. And they are corrupt, they are out of touch, they use their power, and we want a break from that. So the only voices are the more radical voices.

In some countries these parties are coming up overnight and they're becoming the third and second largest political parties in the countries. Some of it's generational. It's very young, more radicalized. They just want a complete break. And it gets to what was Geoff saying, is sort of how do we meet globalization? Are we going to

hunker down and protect our system and fight it or are we going to change our system to try to join it, to try to perhaps make sure our values share it?

And, as I said, this year is a big election year. Across Europe you're seeing this fragmentation continue. Much more radical voices, more radical parties are doing extremely well. And the United States has to wake up to the fact that we're going to see future European governments that are going to have, you know, some parties that do not necessarily ascribe to the same values that we do and how are we going to manage that? That's not the U.K. UKIP is going to be an extreme challenge, as is SNP for different reasons. But Europe is experiencing a political fragmentation that we're just slowly waking up to.

MR. DYER: On the constitutional question I take a slightly different view and say that if the union is to survive, then there is going to have to be a big shakeup in the constitutional arrangements. There's going to have to be more devolved power in some shape or form for Scotland, but also to other bits of England, some way to deal with the London problem, the way that London just dominates the countries, sucks up the energy and resources, and is just utterly the dominant factor. They're going to something along those lines. But that's not the same as a necessarily written constitution, but there are going to be a different set of constitutional arrangements. And if there are not, then at some stage in the next decade or so you will have an independent Scotland and then all sorts of other things might start to happen.

The third party issue I sort of got into a bit in my earlier remarks, but maybe I'll just conclude with one short comment about the EU as to why I think we're going to have a referendum anyway. I think sort of an important shift has happened in opinion in Britain on this in recent years, and that is a lot of the pro European people have started to realize that a referendum might actually be a good idea. It's something

they always rejected, it's something they always opposed, but a lot of them now see the fact that there is such a kind of groundswell of opinion against the EU, this issue's always going to be there. It's always going to undercut British relations with the rest of the Europe and so this is something that we just need to lance the boil. We just need to get it out of the way, have the referendum, hopefully there is a yes vote. And then once you've had the referendum, then we can start to reconstruct a better relationship with the EU.

You're starting to get someone like Nick Clegg, for instance, who's the leader of the Liberal Democrats, the most fervently pro EU party in the U.K. They're starting to say that he's maybe not that against a referendum. So I think that's the underlying reason why I think that whatever actually happens, even if it's not a Conservative government, we're probably going to end up at some stage having a referendum in the next few years.

MR. SHAPIRO: Tom, you have the last work.

MR. WRIGHT: Yes, just very briefly, I think I agree with what Geoff and others said about the constitutional questions. It's a really interesting question on why the third parties rise up. I think part of it, as Philippe said, is devolution. I mean, the Scottish Nationalists are going to get 4 percent of the vote in the U.K. and get 50-something seats. UKIP will get 13 percent of the vote and will get 1 seat, so that's sort of an interesting -- I mean, it's obviously because of the concentration of the vote. You now, the Lib Dems vote is actually down quite a lot on what it was before. So, in a way, that's reduced the power of the third parties in that sense.

I think the other element is just that the country still doesn't trust the Conservative Party. You know, they did not get a majority the last time. They haven't gotten over, I think I read today, they haven't gotten over sort of 40 percent of the vote or even 38 percent of the vote since the heyday of Thatcher, so it really is, you know, going

back quite a way. But Labor still has its problems from its time in government and people don't fully trust it either.

So I think when one of the parties, you know, truly sort of reforms and gets a new strong leader, we may see a breakthrough, but it may not be till the next time. I wouldn't rule out either, if it is a particularly weak, despite the problems of the fixed-term Parliament, that there's another election later this year.

MR. SHAPIRO: Okay, it's a beautiful, sunny day. I encourage you to go outside and recover your mood. (Laughter) But before you do, please join me in thanking the panelists for a wonderful presentation. (Applause)

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