

HOUSE OF COMMONS HANSARD

European Union (Withdrawal) Act

06 December 2018

[3rd Allotted Day]

Debate resumed (Order, 4 December).

Question again proposed,

That this House approves for the purposes of section 13(1)(b) of the European Union (Withdrawal) Act 2018, the negotiated withdrawal agreement laid before the House on Monday 26 November 2018 with the title ‘Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community’ and the framework for the future relationship laid before the House on Monday 26 November 2018 with the title ‘Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom’.

Mr Speaker

Just before I call the Chancellor of the Exchequer to resume the previously adjourned debate, I want to make two points for the benefit of the House. First, I said yesterday, and I think it is worthy of repetition today, that although this is in one respect a seamless debate running over a period of five sitting days, colleagues should know—and if they have forgotten, be reminded—that there are wind-up speakers each day from the Front Benches. The implication of that for colleagues should be unmistakeable. If right hon. and hon. Members wish to speak in the debate, they should be sure to be present for the winding-up speeches, and they should have a pretty good—if not precise—idea of when those speeches will be delivered. I will keep a record, but this is an important convention, and it really is unacceptable for a Member to speak and then take the attitude that he or she has many commitments and a very full diary and must be elsewhere and cannot possibly be present for the winding-up speeches. That really is unacceptable in parliamentary terms, so I am sure that Members will want to comply with the convention.

Secondly, perhaps I can be forgiven for saying, as I happen to know, that the last time I looked no fewer than 75 right hon. and hon. Members had indicated to me that they wish to catch my eye today. From the Chair’s point of view, and in terms of the efficiency of chairing and of the proceedings, it would be much appreciated if colleagues did not beetle up to the Chair to inquire where they are on the list, how long it will be before they are called, etc. The usual channels are on the case. I politely say to colleagues that the Chair will, as always, do his level best to get everybody in, but the merits of patience can scarcely be overstated. With that, I invite the Chancellor of the Exchequer to resume the debate.

11:51:00

The Chancellor of the Exchequer (Mr Philip Hammond)

Thank you, Mr Speaker. I welcome the opportunity to take part in this debate today and to make the case to the House for backing the Prime Minister's Brexit deal, ensuring a smooth and orderly departure from the European Union, delivering on the referendum decision of the British people and, at the same time, securing a close economic and security partnership with our nearest neighbours and most important trading partners. I will also make the case for rejecting the calls from those who would prefer to plunge the country into the uncertainty and economic self-harm of no deal, and from those who would seek to undo the referendum decision and, in doing so, fuel a narrative of betrayal that would undermine the broad consent on which our democratic politics is based.

Mr Clive Betts (Sheffield South East) (Lab)

The Chancellor said recently that backing the Prime Minister's deal would be better for the country than remaining in the EU. However, during the referendum campaign in February 2016, he said that a yes vote would lead to "very significant uncertainty" and would have a "chilling effect" on the economy. What information can the Chancellor share with the House that has caused him to have such a fundamental change of opinion?

Mr Hammond

I have always recognised that leaving the EU will have an economic cost, but the deal that the Prime Minister has negotiated minimises that cost. Our nation is divided on the issue, and I fundamentally believe that we have to bring the country back together in order to succeed in the future. This deal offers a sensible compromise that protects our economy but delivers on the decision of the British people in the referendum. My judgment is that, if we want to maximise the chances of our nation being successful in the future, this is the right way to go.

Sir Christopher Chope (Christchurch) (Con)

Did my right hon. Friend subscribe to the statement in the 2017 Conservative general election manifesto that no deal would be better than a bad deal?

Mr Hammond

Yes. As I have said in this House many times, at the beginning of the process, there were people inside the European Union who were contemplating a punishment deal for the United Kingdom—a deal designed to punish us for having the audacity to decide to leave the EU. Clearly, we could not have accepted such terms for our departure.

Mr Hammond

I will give way one more time and then make a little progress.

Ms Nadine Dorries (Mid Bedfordshire) (Con)

The Chancellor mentioned no deal, so I wonder whether he can explain what no deal means. My understanding is that the rest of the world trades under World Trade Organisation rules with independent free trade agreements, so there is actually no such thing as no deal, is there? If we do leave—I do not buy the term "crash out"—we will trade on WTO rules, so that does not mean "no deal", does it?

Mr Hammond

Yes, it is no deal. As I will say later in my speech, if we did leave the European Union without a deal, we would actually be the only advanced economy in the world trading with the European Union on pure WTO terms, with no facilitation agreements whatsoever. In my view, that would be a very bad outcome for the United Kingdom.

Stephen Timms (East Ham) (Lab)

I agree with the Chancellor that there will inevitably be an economic penalty from leaving the EU. Does he agree that having to comply with lots of rules set by the EU, over which we will no longer have any say—that will be the position under the withdrawal agreement—is part of the economic penalty that we will suffer?

Mr Hammond

It depends very much on what those rules are. Rules on the goods acquis, the part of EU regulation that deals with goods, are very stable and have been for many years. We know that our manufacturers in this country will continue to follow EU rules on goods, whether we choose to adopt those rules or not, so I think that the economic price of having such rules would be very small. In other areas, such as financial services, where rules are changing rapidly and where there is a great dynamism in the system, there could be much greater dangers for us in being locked into following rules over which we have no influence. That is why the deal we are putting before the House proposes a very different way forward for goods than for services, and particularly financial services.

I have observed this process at close quarters for two and a half years, and I am absolutely clear about one thing: this deal is the best deal to exit the EU that is available or that is going to be available. The idea that there is an option of renegotiating at the eleventh hour is simply a delusion. We need to be honest with ourselves that the alternatives to this deal are no deal or no Brexit. Either would leave us a fractured society and a divided nation.

Only the compromise of this negotiated deal—delivering on the referendum result by leaving the EU, ending the free movement of people and reasserting our sovereign control over our laws, while at the same time maintaining the closest possible trade, security and cultural links with the European Union to protect our jobs, our living standards and our values—can allow our country to move on. Only that compromise can bring us back together after Brexit is delivered, and we should remember the lesson of history that divided nations are not successful nations.

Maggie Throup (Erewash) (Con)

Does my right hon. Friend agree it is important that we have a deal that is not only good for the economy but that brings our country together? The deal on the table is one that offers that, and it is one with which we should move forward.

Mr Hammond

I completely agree with my hon. Friend. That is the central theme of what I will say to the House today. Yes, leaving the European Union has a cost, but going back on the decision of the British people would also have an enormous cost for our country.

Sir David Evennett (Bexleyheath and Crayford) (Con)

Does my right hon. Friend agree that uncertainty is bad for our economy and very bad for businesses?

Mr Hammond

Yes, and we are already paying a price, and have paid a price, for the uncertainty on our future trading relationship with the European Union. The sooner we can restore certainty, the sooner we can get back on to a path of solid economic growth.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab)

The Chancellor is being generous with his time. Can he clarify whether the Government's analysis confirms that the half-baked Brexit deal that they are pursuing will actually leave our country permanently poorer?

Mr Hammond

No. In all scenarios, we expect that economic growth will continue and the economy will carry on growing. What we were looking at in the analysis we published last week is a ranking of five different scenarios based on their impact on the overall size of the economy over a 15-year horizon.

The theme of today's debate, as Mr Speaker has reminded the House, is the economy, and the economy has always been at the heart of the UK's relationship with Europe. It was definitely not the lure of political union but the prospect of jobs, wage growth, trade and prosperity that brought Britain into the European Economic Community, as it then was, in 1973—I was there, and I remember. For most of us who campaigned 43 years later to remain in the EU in 2016, it was certainly not the political institutions and the paraphernalia of the Union that provided the motivation to do so, but a hard-nosed appraisal of our economic interests.

The fact is that our economic and trading relationship with the EU has been built over 45 years, during which time our economies have shaped themselves around each other and become inextricably intertwined: supply chains criss-cross borders; workforces draw on talent from across the continent; and a firm in Birmingham can deal with a customer in Berlin as easily as one in Bradford—so much so that almost 65% of all UK trade is now with the EU or through EU trade agreements. These trading relationships and commercial partnerships were not built overnight, but in a no-deal exit many of them would be destroyed overnight, as the market access and free-flowing borders on which they are based were lost. Although new trade partnerships with countries outside the EU undoubtedly offer new and exciting opportunities for UK companies, the analysis the Government published last week is clear that the benefits flowing from new free trade agreements would not compensate for the loss of EU trade from a no-deal exit.

Andrew Selous (South West Bedfordshire) (Con)

On Tuesday, the House of Commons Library wrote to me to say:

“The backstop comes into force automatically, if the Withdrawal Agreement is signed, at the end of the transition period.”

This morning, the Prime Minister said:

“If we get to the point where it might be needed, we have a choice as to what we do, so we don't even have to go into the backstop at that point.”

Can the Chancellor help to explain that because there seems to be a variance between those two statements?

Mr Hammond

The backstop remains as the ultimate default, but the agreement we have negotiated with the EU very importantly gives us the choice, if we are not ready to move to our new future partnership on 1 January 2021, to seek an extension of the implementation period for one or two further years. That is a very important part of the architecture of what we have negotiated. I make no bones about this—I have said it before. In my view, it would be much better for the UK to seek an extension of the implementation period if we need a further period of time before we are ready for the new long-term arrangements, rather than go into the backstop.

Richard Burden (Birmingham, Northfield) (Lab)

The Chancellor is making a very good case about what would happen if there were a no-deal Brexit. Indeed, in his opening remarks he described it as an act of “uncertainty and economic self-harm”. Given that the companies he has talked about, which depend so much on just-in-time deliveries in the motor industry and elsewhere, are most worried and concerned about the prospect of a no-deal Brexit, and as there is clearly not a majority in this House for a no-deal Brexit, although we may disagree about other things, why do we not unite and rule out that option?

Mr Hammond

The way to do that is to support the proposal that the Prime Minister has presented to the House, which represents a compromise, ensuring that we leave the EU and respect the referendum decision of the British people, but do so in a way designed to minimise any negative impact on our economy and maximise the opportunities for this country in the future.

Mr John Baron (Basildon and Billericay) (Con)

I totally concur with what my right hon. Friend said about divided nations, but may I urge him to be cautious about relying too heavily on economic forecasts? We all remember the Treasury, the Bank of England and the International Monetary Fund predicting economic woe by Christmas 2016 if we voted to leave, with talk of 500,000 extra unemployed, a do-it-yourself economic disaster and so on. It got so bad that in the end the Bank of England had to publicly apologise for getting it so wrong. Can we just make sure we keep things in perspective with regard to these economic forecasts?

Mr Hammond

I am grateful to my hon. Friend, because he gives me the opportunity to clarify for the House that these are not economic forecasts; they are modelled scenarios for what might happen in different circumstances. Like all economic modelling, they depend to an enormous extent on the assumptions that are made. The assumptions in this paper are transparent and the assumptions that the Bank of England made are also clear. My hon. Friend has made his point about the modelling that was done in 2016. I can only speak for the Treasury and tell him that a huge amount of work has been done since 2016 to update and upgrade the Treasury’s long-term model. That computable general equilibrium model is the one that has been used.

Mr Baron

The one thing that I would suggest to the Chancellor is that the problem with these forecasts is that they do not anticipate a response from the Government to a given set of scenarios. That is one reason why the forecasts in 2016 were so wrong.

Mr Hammond

My hon. Friend is right. Of course, this work seeks to do something quite different: it looks at five different potential scenarios and ranks them in terms of the impact that they would have. I readily concede that it is more important to look at the ranking than the absolute numbers or ranges of numbers attached to them.

Mr Hammond

I shall make a bit of progress, then give way again.

I was saying that the benefits flowing from new FTAs would not compensate us fully for the loss of EU trade from a no-deal exit. That is why we have fought so hard for a deal that delivers the closest possible trading relationship with the EU, while respecting the outcome of the referendum and giving ourselves the ability to form new trading arrangements with countries around the world.

Today, the case for this deal is that, uniquely among the options open to us, it does deliver on our commitment to leave the EU and on our collective duty to protect the jobs and living standards of our constituents.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op)

While the Chancellor is explaining the deal, will he explain to the House which trade unions he has sat down and briefed on the deal, and what their response was? The feedback that I have had from ordinary trade union members in my constituency is that, although this deal is preferable to no deal, it is still a long way away from the certainty that they would have hoped to have had in the proper arrangement that they were expecting.

Mr Hammond

The deal that is on the table provides the key elements that we will need to maintain our trading relationship with the European Union. It makes a commitment to maintaining our borders as openly and free-flowingly as possible. It eliminates tariffs, quotas, fees and charges. It will protect the vital supply-chain business that is at the heart of our trading relationship with the European Union.

Colin Clark (Gordon) (Con)

Does the Chancellor agree with the Governor of the Bank of England that stress tests have shown that under every scenario the financial system is robust? That should give the Government confidence to be equally robust with the EU in future negotiations.

Mr Hammond

The Governor is of course absolutely right. The modelling that the Bank has done has been tested against the financial policy committee's stress tests to ensure that, even in the worst-case scenario, our financial system would be resilient. The work that we have done since 2010—including increasing banks' capital ratios and introducing risk-reduction strategies around banks and financial institutions—has ensured that the system will be resilient, even against the most extreme circumstance that the Bank of England has modelled.

Nigel Huddleston (Mid Worcestershire) (Con)

With regard to the deal versus no-deal scenario, does the Chancellor agree that the problem with the WTO option is that it is silent on swathes of modern British industry, so it does not cover our economy completely? Aviation is one of the most obvious sectors that is not covered by the WTO option. It is very dangerous for us to go into a situation in which those sectors are not adequately covered.

Mr Hammond

My hon. Friend is right, but I think the most telling point about this issue is the one made regularly by my right hon. Friend the Secretary of State for International Trade. If WTO terms are so fantastic and so good for a trading relationship, why do we need to negotiate free trade deals with all these other countries around the world? We already trade with them on WTO terms, but we clearly believe that we can do much more if we negotiate something better than WTO.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP)

The Chancellor is being very candid. According to his recently published long-term economic analysis, the Government's two scenarios would result in a hit to GDP, or a lowering of the growth rate, of between 3.4% and 6.4%, if there is a deal, and of between 6.3% and 9% if there is no deal. Will he confirm that this is indeed the choice the UK are putting before Parliament?

Mr Hammond

The hon. Gentleman is misinterpreting the analysis. These are not rates of GDP growth; this is an estimate of the relative size of the economy at a 15-year horizon under different scenarios. In all scenarios, we expect that GDP growth will recover and continue.

Angus Brendan MacNeil

Will the Chancellor put on the record what he thinks the hits will be? He said in response to a Labour Member that there would be a lower growth rate. What are the percentage differences in the two scenarios—deal and no deal—versus staying in the EU?

Mr Hammond

I am sorry but the hon. Gentleman is wrong. I did not talk about a lower growth rate. I am talking about a smaller overall size of the economy. It is our central view that, once the economy has moved to a new equilibrium, growth will resume in all these scenarios and that our economy will go on getting larger.

Angus Brendan MacNeil

What are the numbers?

Mr Hammond

This is not an economic forecast. It is a modelling of five different scenarios. Our economic growth rate in 2033 will depend on a raft of other issues, not only on the outcome of this debate.

Jim McMahon (Oldham West and Royton) (Lab/Co-op)

Is it not the truth that there has not been time to consult with the organised trade unions because the Government have been consulting with the hard-line Brexiteers in the European Research Group instead of putting the national interest first?

My question is this: why did the Chancellor not support his Prime Minister in her pledge to end austerity in the Budget, which would have addressed many of the reasons for the divide in the nation he refers to?

Mr Hammond

I am not quite sure what the hon. Gentleman is referring to. In the Budget, I set out a clear plan for Britain's future. I set out an indicative envelope for the spending review next year, which will show public spending increasing in real terms throughout the next spending review period. In most people's definition, that is turning a very important corner for this country.

The economic analysis published by the Government last week clearly shows that, of the spectrum of outcomes for the future UK-EU relationship, the modelled White Paper scenario would deliver significantly higher economic output than the no-deal scenario, the FTA scenario, and even the EEA scenario. The proposed future UK-EU relationship is estimated to result in economic output around 7 percentage points higher than in the modelled no-deal scenario in the long run, once the economy has reached its post-Brexit equilibrium.

This is a deal that secures the rights of more than 3 million EU citizens living in the UK and around 1 million UK nationals living in the EU; a deal that takes us out of the European Union and sets a framework for an economic partnership with our European friends and neighbours that is closer than any other they have today, while allowing us to strike free trade agreements around the world; a deal that ends freedom of movement and regains control of our borders, not so that we can shut down immigration, but so that we can manage it in our own best interests, ensuring that our businesses and health service still have access to the skills they need—skills that we will need as we

build on our fundamental economic strengths to give Britain the brighter future our citizens imagined when they voted in June 2016; a deal that delivers on the referendum result, while securing the achievements of the British people in rebuilding our economy over the past eight years; and, above all, a deal that can bring our country together again.

Mike Gapes (Ilford South) (Lab/Co-op)

The Chancellor just referred to British citizens living in EU countries. Can he confirm that, under this deal, EU citizens living in the UK will be in a better position than British citizens living in EU countries, because they will not have the ability they currently have to move freely between EU countries?

Mr Hammond

British citizens living in an EU country will be able to continue living in that country. They will not necessarily have the automatic right to relocate to another EU country.

Pete Wishart (Perth and North Perthshire) (SNP)

rose—

Mr Hammond

At the same time, EU citizens living in the UK will have the right to continue living here.

Pete Wishart

rose—

Mr Hammond

The hon. Gentleman is very persistent. I will probably regret giving way, but I will do it anyway.

Pete Wishart

Let us hope not. I have tried this with the Prime Minister: can the Chancellor look the young people of this country in the eye and tell them that all the restrictions we will impose on EU nationals the EU will impose on our young people? The rights that he and I have to live, work and love across a continent of 27 will be lost to our young people. Will he now be straight with them and tell them that there will now be restrictions on their freedom of movement?

Mr Hammond

The deal we have negotiated will ensure the greatest possible level of freedoms and rights for UK citizens so that they can carry on living their lives and we can carry on working, collaborating and trading with our EU partners. I am completely convinced that of the options open to us this is the right way for the country to go forward.

If anyone on the Opposition Front Bench genuinely believes that there is a magic deal available that would see us retain all the benefits of EU membership but with no free movement, no payments into the EU's budget and no state aid rules, they are sadly deluded. Labour calls for a Brexit that delivers the "exact same benefits" as we currently have. That is called remaining in the European Union and it means being in the single market as well as the customs union, and last time I checked that was not Labour policy. A customs union alone would not deliver those "exact same benefits". It would not maintain supply chains, remove regulatory checks and non-tariff barriers, or deliver frictionless borders. So Labour's policy fails its own test. The time for trying to have your cake and eat it has passed. It is now time for tough choices and practical solutions and for a focus on the things that really matter. It is time to deliver a "jobs first" Brexit, and that is what the Prime Minister's deal does.

Melanie Onn (Great Grimsby) (Lab)

I would like to move the Chancellor away from the party political point scoring and to ask him a serious question about what reassurances he can give to companies in Grimsby such as Young's, which relies on fresh fish products from Iceland and south Norway. Both are non-EU countries with EFTA and EEA agreements with the EU. How does this Tory withdrawal agreement impact on the certainty of future supply to an industry that employs 5,000 people in my area?

Mr Hammond

As I suspect the hon. Lady knows, after we leave the EU, we will be an independent coastal state, and we will be able to enter into agreements with Iceland, Norway and other countries to regulate quotas, how the fish are caught, the reciprocal rights of our fishermen to enter other countries' waters and of their fishermen to enter our waters, and other such matters.

David Morris (Morecambe and Lunesdale) (Con)

According to the Department for Transport, if we crash out without this agreement, the hauliers of this country will have access to only 1,000 permits—and that to cover a range of areas from health products to food and furniture deliveries. This would be catastrophic for my constituency, which relies on haulage. Does my right hon. Friend agree?

Mr Hammond

My hon. Friend is right, and he takes me back to the question from my hon. Friend the Member for Mid Bedfordshire (Ms Dorries) earlier. If we were to leave the EU in a real no-deal scenario, with such issues left unresolved, we would be in a very difficult place. The small number of transit permits available to hauliers would be just one of the many issues that would cause considerable difficulty.

Mr Kenneth Clarke (Rushcliffe) (Con)

Before the Chancellor started giving way, he made the point that just being in the customs union was not replicating what we have at the moment, but does he accept that, were we to join Norway, Iceland and Liechtenstein in the European Free Trade Association and, on top of that, agree a customs union that we would need to keep the Irish border open, we could keep a very high proportion of the economic benefits of membership, even if the House insists on proceeding to give up political membership and other aspects of the EU?

Mr Hammond

My right hon. and learned Friend is right that, strictly, the flow of trade in goods would be facilitated by such an arrangement, but there are two problems with the EFTA-EEA model. First, it would continue to impose on us the obligations of freedom of movement, which we believe the British people voted against in the referendum decision in 2016. Secondly, it would leave our financial services industry in particular extremely exposed to having to comply with a rapidly evolving body of EU regulation over which we would have no influence.

Albert Owen (Ynys Môn) (Lab)

I am listening carefully to the Chancellor. He mentioned frictionless trade, but where in the political declaration does it say "Guaranteed frictionless trade"? It said so in the Chequers agreement, but it seems to have been omitted in what we are voting on on Tuesday.

Mr Hammond

Under the political agreement, there is a commitment by the parties to working in good faith together to minimise any impediments to trade between us. We are confident that, with goodwill on

both sides and the evolving technologies that are available, we will be able to design a very efficient and free-flowing border for UK goods and for imports from the European Union.

Vicky Ford (Chelmsford) (Con)

I thank the Chancellor for giving way. Does he agree that, under the withdrawal agreement, the UK will continue to trade on the same basis not just with the EU, but with the EEA and other countries, which means that companies such as Young's of Grimsby would not face a cliff edge, but that if we vote against this agreement, then all is uncertain?

Mr Philip Hammond

My hon. Friend is exactly right. One of the huge benefits of the negotiated deal that is in front of the House is the transition period, giving us another two years, to the end of 2020, of clarity and certainty for British businesses about how they will operate in the future.

Let me be clear about the economic benefits of this deal: a time-limited implementation period, as I have just said, giving people and businesses time to adjust; a deal that ensures citizens, both British and European, are properly protected; a political agreement to construct the closest economic relationship between the EU and any advanced economy in the world; a free-trade area for goods with no tariffs, no fees, no charges, and no quantitative restrictions; a commitment to an ambitious relationship on services and investment, including financial services; and for further co-operation across a wide-range of sectors from transport to energy and data.

Joseph Johnson (Orpington) (Con)

I am very grateful to my right hon. Friend for giving way. He mentioned financial services and the impact of any Norway-style arrangement on the sector. Does he not also acknowledge that the proposed deal that the Government are putting forward is not great for financial services by any means? The sector obviously employs many of my constituents in Orpington who come into London every day to work in the City in all manner of roles. I have read the Government's economic analysis and it shows that, over the relevant forecasting period, the financial services sector will be hit by around 6% to the effect that our trade will be 6% smaller than it would otherwise be. That is a meaningful hit to one of our most competitive industries, and we do not have many globally competitive sectors, so it baffles me why we would willingly do that.

I wish to make one further point if I may and ask another question. The agreement that the Government are putting forward will mean that we will no longer have any direct influence on the EU's rule making with respect to financial services. It is therefore all the more important that we maintain our ability to play a full part in representing the UK's interests in global bodies such as the Basel Committee and the International Organisation of Securities Commissions. Article 219 says that we will have to follow the EU's position on all those bodies. [Interruption.]

Mr Speaker

I think the House has captured what Jack Straw used to call the gra-vah-men of the hon. Gentleman's point. I prefer the pronunciation gra-va-men, but there you go.

Mr Hammond

Let me say this frankly to my hon. Friend: there is no deal that is negotiable that involves leaving the EU and maintaining the financial services passport. That is a fantasy world outcome. There will not be passporting. What we have negotiated with the European Union is an enhanced equivalence approach that will allow us to maintain our vital financial services networks with the European Union in the areas where there is significant financial services trade between us and to do so in a

way that will provide the reassurance that commercial companies need in London to continue operating.

A mere equivalence finding is of no use to a company operating a book of derivatives worth several trillion dollars when there could be an abrupt ending of the equivalence arrangement unilaterally by one side. There has to be a more structured basis for that co-operation in the future. We have agreed that with the European Union, and I absolutely agree with my hon. Friend's point that, even though we will not have direct influence over new European Union rules, we can have a significant influence over the shaping both of the global rules and, indeed, the European rules.

Over many decades of membership of the European Union, the UK has had a huge influence over the EU's financial services regulatory environment. We have done that not through voting power, but through the skill, the diligence and the commitment of our civil service and industry teams who have engaged in Brussels and who have provided their expertise to try to shape the European Union's financial services regulation in a way that is effective and that works for us all, and we will carry on doing so in the future.

Robert Neill (Bromley and Chislehurst) (Con)

I am very grateful to my right hon. Friend for giving way and I very much appreciate the realistic point that he makes about what is on offer to my constituents in the financial services sector. Does he agree that it is precisely because this is the best deal that we are likely to get and that it gets us into transition where these important technical matters can be resolved that it has been welcomed by all the representative bodies of the financial services sector across the country?

Mr Hammond

That is exactly right. It has been welcomed by all the major bodies. It has been welcomed by the City of London. First, this deal gives us the transition period, which is a vital respite for business in preparing for the future, and it gives us a commitment to a future deal that will protect our economy and, in particular, our financial services sector.

At the Budget in October, I made a Brexit prediction. I predicted that a deal that creates confidence in a smooth transition and a close future partnership will not only protect our jobs, businesses and prosperity in the long run, but deliver a short-term deal dividend for Britain. The Bank of England last week published its modelling of a range of scenarios to assess the potential impact as the economy makes the necessary adjustment to reflect the new trading relationship between the UK and the EU. The Bank estimated that a negotiated deal could boost British GDP by 1.75% in the short term, as businesses and consumers alike express their confidence in the future, while leaving the EU on WTO rules and without a transition period could cause a recession, with GDP reduced by up to 7.75% and unemployment rising to 7.5%. The Bank of England is clear: a no-deal exit would mean jobs lost, food prices up, house prices down and wage growth lower.

Businesses have made their views clear. The Federation of Small Businesses called this deal

“a welcome step back from the no deal cliff edge.”

The Institute of Directors warned that only 14% of its members

“would be ready to cope with a no deal outcome in March”.

The CBI has described no deal as a disaster for the economy.

This House has before it a deal that can deliver the certainty that will unlock the potential of our economy and assure Britain of the brighter future it craves. Let us not be the generation who have to explain to our children and grandchildren why we let that opportunity slip from our grasp. Let us choose now to move on to that brighter future, not to go back to square one with continuing uncertainty, division and disharmony.

As we make this decision and exercise our solemn duty in this Parliament in the interest of the nation, let us not forget the progress that we have made and what we would be putting at risk with no deal: eight straight years of growth; employment at a record high; 3.3 million more people in work; higher employment and lower unemployment in every region and every nation of the United Kingdom; wages growing at their fastest pace in nearly a decade; and the proportion of low-paid jobs at its lowest for at least 20 years. Britain is leading the world in breakthrough technologies—from biotech to fintech, and from robotics to genomics—and at the cutting edge of a technological revolution that will underpin our prosperity and success for decades to come, if we get Brexit right.

Martyn Day (Linlithgow and East Falkirk) (SNP)

I have been listening carefully to the Chancellor's speech. At the very beginning, he said that divided nations are not successful nations. I am inclined to agree with him, but how does he square that comment with a potentially differentiated deal for Northern Ireland that will leave Scotland at a competitive disadvantage?

Mr Hammond

We are clear that we have negotiated this deal as the United Kingdom in the best interests of the United Kingdom and every part of the United Kingdom.

Marsha De Cordova (Battersea) (Lab)

The Chancellor talks about record numbers of people in employment and says that unemployment is lower, but that is not the case in relation to disabled people. Does he agree that this Government's record on disabled people is one of more disabled people out of work and more on lower wages?

Mr Hammond

The hon. Lady is simply wrong. We have record numbers of disabled people in work and that is a record of which this Government are extremely proud. She needs to go away and check her facts.

Helen Goodman (Bishop Auckland) (Lab)

I agree with what the Chancellor says about the dire problems caused by no deal. However, he described the transition period as a time in which business could prepare for the new world. The truth is that the Government will be negotiating in parallel with those businesses trying to make changes, so they will not know the destination and will not be able to use that time because the fact is that it is uncertain.

Mr Hammond

The hon. Lady is too absolutist. Yes, of course there is further negotiation to be done, but the shape and key elements of the deal are clearly set out in the political declaration. I have described some of them already today. Business will be able to begin to prepare. I completely accept that further clarity will arise during the ongoing negotiations in the transition period. I am sure that she has talked to businesses, so she will know that this is the way that business wants to go. The alternatives—of a no deal exit, or of trying to overturn the referendum decision and risk fracturing our country for a generation—are too awful to contemplate. We have to take this opportunity that is presented to us to protect our economy and to heal our country.

To protect the living standards of the people of the whole United Kingdom, we need to act now. We need to act now to end uncertainty, to protect jobs, businesses and prosperity and to begin to heal the divisions in our country. But what if we do not? What if we turn our backs on this opportunity of a negotiated exit and a transition to the future? I have heard that we have nothing to fear from no deal—nothing, that is, except a cliff-edge Brexit in just four months' time; the end of frictionless trade with our biggest export market; restrictions on our citizens travelling in Europe; and being the only developed economy in the world trading with the EU on purely WTO terms with no customs facilitation agreements, no data sharing or protection agreements and no approvals regime to allow our industries to trade with their nearest customers and suppliers—just tariffs, paperwork and bureaucracy.

UK car exports would face tariffs of 10%. Many clothing exports would face tariffs of 12%. Agricultural exports would face even higher tariffs. Almost 90% of UK beef exports and 95% of lamb exports go to the EU, where they could face tariffs of over 70% and 45% respectively.

Ian Paisley (North Antrim) (DUP)

Did not the Bank of England, the Treasury and the IMF all incorrectly forecast economic woe if the people of the United Kingdom voted to leave in 2016? Indeed, they predicted 500,000 job losses before we even Brexit. As the Chancellor has outlined very well today, our economy is growing and, importantly, employment is increasing. There have been fantastic results since we voted to leave. If he was standing at the Dispatch Box today and arguing for a WTO agreement, the City of London and everyone else would still support him because they would have the leadership that the Government would be providing. The fact of the matter is that this country requires leadership to leave on WTO terms, not criticism about leaving.

Mr Hammond

I am afraid that the hon. Gentleman is just wrong on the question of the financial services community and WTO. The financial services community would not support a WTO exit. That would be the worst possible scenario for financial services, with no time for preparation. Frankly, given the role of financial services in our economy—7% of our GDP—and their even larger role in our fiscal economy, accounting for over 11% of our fiscal revenues, anything that damages that industry will be extremely damaging to our economy and our public services.

Steve McCabe (Birmingham, Selly Oak) (Lab)

Will the Chancellor give way?

Mr Hammond

In the absence of any better offers, I will give way to the hon. Gentleman.

Steve McCabe

The Chancellor is as kind as he is funny.

If the Chancellor sincerely believes the situation that he has just described to us and if he cannot convince this House of that situation on Tuesday, will he resign because he has clearly lost the confidence of this House?

Mr Hammond

I regard my job as to go on making the case for a sensible middle way out of this situation. I do not believe that we can afford the economic cost of a no-deal exit, but I equally do not believe we can afford the political and societal costs of trying to undo the decision of the British people in the

referendum. We have to find a negotiated way forward. The Prime Minister has presented us with the route forward, and we have to take it.

Bill Wiggin (North Herefordshire) (Con)

I am very reassured to hear what the Chancellor has just said, because he said in his opening statement that he felt that Brexit itself might be at risk, which of course is very much at odds with what the Prime Minister has promised us. Will he go on reassuring people like me that the will of the people will be followed by this Government?

Mr Hammond

My right hon. Friend the Prime Minister and I have said many times that the choice before this House is very simple: it is this deal, no deal or no Brexit. Those are the opportunities that we have to choose between.

Rachael Maskell (York Central) (Lab/Co-op)

One of the things that really concerns businesses is the availability of skills with this deal. At the moment, they know that there is a plan for growth, which the Government have in the light of their abysmal record on productivity, but that plan cannot be delivered if skills are migrating back to the EU. How will the Chancellor address that?

Mr Hammond

The Government are clear that freedom of movement will end as we leave the EU, but as I have already said, that is not the same as shutting down migration. Once we regain control of our own borders, we will run our immigration system in our own interests, taking account of the needs of British society and the British economy, ensuring that we have the skills needed for our businesses to operate and our national health service to function properly, but at the same time making sure that the incentives exist for our businesses to train and upskill our indigenous British workers. We have to make our choice as a nation.

Antoinette Sandbach (Eddisbury) (Con)

Key sectors in the north-west, such as the chemicals, aerospace, pharmaceutical, nuclear, and food and drink industries, involve high-paying, high-skilled jobs. Will my right hon. Friend comment on the impact on those jobs if this deal is not agreed?

Mr Hammond

My hon. Friend could have added that those industries also have a high trade penetration with the European Union, and they depend critically on maintaining open and free-flowing trade arrangements with it. The deal before the House today allows us to maintain those trading patterns with the European Union and protect our supply chains, businesses and commercial relationships, while also having the opportunity to go out and make new trading partnerships with friends, old and new, around the world. In my view, that is the best possible outcome for businesses in my hon. Friend's constituency.

We have to make our choice as a nation, and it falls to this House to act on the nation's behalf, setting aside narrow party interests and focusing on what is in the national interest of our United Kingdom. After two and a half years, it is time to choose and time for Britain to move on. This deal will ensure that we move forward as a nation, taking back control, protecting jobs, getting business investing again, growing, thriving, and bringing the nation back together. It sets the United Kingdom on a course for a prosperous future, with a close relationship with our biggest trading partner and the ability to strike trade deals with the rest of the world. It supports our economy and lets us get back to the priorities that the British people elected us to deliver: investing in the

infrastructure and skills of the future, keeping taxes low, reducing our debt and supporting our vital public services. Let us get on with it. Let us back this deal, honour the referendum, protect our economy and work together in the national interest to build a brighter future for our country.

12:42:00

John McDonnell (Hayes and Harlington) (Lab)

Next week we will make one of the most significant decisions that most hon. Members will ever make in this House, and it will impact on current and future generations. So far, hon. Members have ensured that we approach the debate leading to that decision with the seriousness of tone that it warrants—indeed, I think we have seen some of the best of the House over the past few days—and we have to find a way through.

On Wednesday, my right hon. Friend the Member for Leeds Central (Hilary Benn) said:

“My final plea to the House is as follows. Now is the moment to tell each other the truth... No one is going to get everything they thought they would get. No one is going to receive all the things they were told they would receive. All of us are going to have to compromise, and we are going to have to find a way forward that a majority can agree upon.”—[Official Report, 4 December 2018; Vol. 650, c. 802.]

I fully concur with those sentiments, and that is what we are about in this coming period.

I wish to focus on four points—I recognise that a large number of Members wish to speak, so I will be as succinct as possible. My first point, on which I hope we can find widespread majority and common ground across the House, is that we must seek to prevent a no-deal situation occurring by either imposition or default. Secondly—and I say this in as straight a way as possible—it is increasingly obvious that the Prime Minister’s deal is neither politically nor economically acceptable, and neither is it capable of bringing the House or country together.

Thirdly, as the House looks for an alternative, Labour has proposed a plan that we believe could unite the country, by addressing the concerns raised in the referendum campaign while securing the benefits of a close and collaborative relationship with our European partners. That is what we are about. My fourth point is an expression of a worrying concern, given the current state of our economy, about the impact of a bad deal on our communities.

Angus Brendan MacNeil

As we know, next week the Government’s deal will go down in flames, whatever putative deal is in the mind of the right hon. Gentleman will get nowhere, and the UK will look down the barrel of no deal or no Brexit. When looking down the barrel of no deal or no Brexit, will he also pick up a microphone, look at the camera, and tell the people what he would choose: no deal, or no Brexit?

John McDonnell

I would choose what the House is seeking—in good will, I believe—which is a compromise that secures the will of the people while at the same time protecting jobs and the economy. [Interruption.] Government Members shout that that is the current deal, but at some stage in the next few days reality will dawn on people that it is highly unlikely that that deal will secure a majority position in the House. We have to be honest with each other and take this opportunity for an honest expression of views. Not only will the deal not secure a majority in this House, it is certainly not bringing the country together.

David Morris

I am listening with intent to what the right hon. Gentleman is saying, which is very measured. Speaking apolitically and being measured myself, I ask whether he would please consider voting for this deal, so that we can all move on with our lives.

John McDonnell

I recognise the valid intent of that intervention, and if the hon. Gentleman will stay the course with me a bit longer, I might be able to respond to it.

Mr David Davis (Haltemprice and Howden) (Con)

I, too, welcome the right hon. Gentleman's approach, and the tone and tenor of his opening remarks. I hope that during his speech—perhaps not immediately—he will lay out his criteria for acceptance of whatever the outcome should be, not in terms of his rather artificial six tests, but real criteria in the national interest.

John McDonnell

I think we are all of a common purpose, which is to protect the economy and jobs. The six tests simply seek to hold the Government to their own statements, but I do not want to be dragged into a knockabout about that. We are beyond that now; we are now in a situation where the country expects us to work together to secure a majority.

Simon Hoare (North Dorset) (Con)

The right hon. Gentleman's third point is no different from the approach that the Government have taken, so there is clearly a unanimity there. He started his speech in a serious and sober tone, which is to be welcomed. However, my constituents fear—as do I, and many Government Members—that warm words butter no parsnips, and that in his pursuit of political instability through a general election, he is prepared to sacrifice the jobs and economic opportunity that he and I hold dear, on the altar of party politicking.

John McDonnell

Let me deal with that. I have with me copies of Labour's composite motion on Brexit for conference—some of them have Labour party application forms on the back, which might interest the hon. Gentleman. That was a joke—[Interruption.] Not a very good one. At conference we gave priority, which we have upheld, to securing a deal that will protect jobs and the economy. Only if we cannot achieve that do we have the fall-back position of a general election, but we are striving as best we can to secure the best deal.

Ian Paisley

I appreciate the opportunity that the shadow Chancellor has today to outline some of his views on this important matter. During his comments, will he also address the backstop issue, and indicate to the House whether the Labour party would drop the backstop and the Northern Ireland protocol altogether? How will he ensure that Northern Ireland is treated fully as an integral part of the United Kingdom going forward?

John McDonnell

I will come on to that, but the point we have consistently made is that we would not need the backstop; we want a permanent customs union and a relationship with the single market.

Let me press on. Some, I know, long for a no-deal Brexit. I want to mildly chide the Chancellor because he was among the earliest to set that hare running. In an interview in January 2017, he unwisely promoted the idea of changing our economic model to make our country what was

described as a low tax haven off the coast of continental Europe. Some seized on that to provide a vestige of credibility for their campaign to crash out of the EU.

The Government have put the cost of no deal at potentially a staggering 9.3% of GDP. The Bank of England said that a disorderly no-deal Brexit could cause more economic damage than the global financial crash of 10 years ago, with house prices crashing by 14% and unemployment reaching nearly 6%. I appeal to all hon. Members to recognise that we have a duty to our constituents not to allow that to pass. I give this assurance: Labour will not countenance no deal and will work assiduously to avoid it.

Let me also say this. The Government's threatening Members with the prospect of a no-deal Brexit to engender support for their own deal serves only to reveal their desperation. It is proving to be completely counter-productive.

Ms Nadine Dorries (Mid Bedfordshire) (Con)

Would the shadow Chancellor abandon his commitment to remain in the customs union if the backstop were not there and there was an absolute legal requirement for the 27 member states to reach a free trade agreement within the initial transition period?

John McDonnell

We believe that a permanent customs union is an essential part of the architecture for the future relationship that will secure our prosperity, and it would benefit the overall economy.

Far from influencing Members to back the Prime Minister's deal, I believe that the threat of no deal, used in this way, is actually strengthening the momentum to secure an alternative approach.

I move on to the Prime Minister's deal. It is clear that it is bad for Britain. It does not protect jobs or living standards and would leave this country worse off; it does not even respect the Prime Minister's own red lines. It risks indefinitely tying the UK to agreements over which we will have no say whatever. It does not include a permanent customs union, it does not protect employment or environmental rights and it does not deliver a strong relationship with the single market to protect businesses or, crucially, to allow them to plan with any certainty.

Karen Lee (Lincoln) (Lab)

I voted remain but my constituency voted leave. This deal is not bringing the House together. It is not bringing the Government Benches or the country together. Does my right hon. Friend agree that there has to be a better way?

John McDonnell

My hon. Friend's position is the same as mine: I campaigned for remain, but my constituency voted leave. People are looking for a compromise that will work; the problem with the Government's proposal is that it will not work—and they know that.

I want to get something absolutely clear with the Chancellor. For the millions who work in the financial services, the deal and framework give no clarity on what any equivalence regime might look like. It damages the country politically and, most importantly, economically. We were initially told, and the Chancellor has repeated this today, that we would secure enhanced equivalence. Paragraph 38 of the framework starts:

“Noting that both Parties will have equivalence frameworks”.

Will the Chancellor confirm that an enhanced equivalence deal has been signed already? Enhanced agreement is what we were offered and promised by the Chancellor. There is no reference to enhanced equivalence, only to equivalence. That means greater insecurity for the finance sector, one of the key sectors of our economy.

Vicky Ford

Page 9 of the future framework agreement talks about

“suspension and withdrawal of equivalence decisions”

being agreed mutually. That is enhanced equivalence.

John McDonnell

With the greatest respect, that is not the definition of enhanced agreement. What we wanted written into any framework was a reference to “enhanced”, but that is not there. It does not give the security that the finance sector was promised.

Wera Hobhouse (Bath) (LD)

In this House and across our families and communities, we would love this country to come together and unify. However, does the right hon. Gentleman agree that the vagueness of the declaration on the future relationship is making that entirely impossible? Rather than healing the divisions, it will keep them rumbling on for years and years.

John McDonnell

I watched the hon. Lady’s contribution to the previous debate; it was interesting how her words coincided with those of Members on the Government Benches. The use of the words “best endeavours”, “ambitions” and “sought for” gave such uncertainty that it was impossible for the general public and others to understand the direction in which the Government are going in the long term. I concur with the hon. Lady’s view.

I must press on. It is not just Labour Members who are pointing out issues with the finance sector; Members from all parties are doing so, including some on the Government Benches. That view is backed up by economists of many viewpoints in their assessment of the Prime Minister’s deal—including, it seems, the Government’s own. The official analysis produced last week was far short of what was promised, as we said at the time. It took as its starting point the Chequers proposals, which have long been discarded. In doing so, it failed to live up to the standards of transparency that we should expect when engaging in critical decisions such as this.

Even in what they did publish, the Government admitted last week—as the Chancellor has again today, I believe—that their deal would make Britain worse off. In the closest scenario to the possible deal, we could see GDP nearly 4% lower as a result of the Government’s approach to Brexit. To put that in context, this year that would be around £83 billion. In the long term, the damage is likely to be even greater. Worryingly, the Chancellor described £83 billion being wiped off our economy as a “very small economic impact”. Maybe there will be many “little extras” to follow in future.

Janet Daby (Lewisham East) (Lab)

Does my right hon. Friend agree that the public’s view is that the economic impact of the deal is too high a price to pay? How does my right hon. Friend view that?

John McDonnell

What has happened is clear: the deal has not convinced the Government side and certainly has not convinced the people. It has not convinced a majority in the House so far.

The Government analysis estimated that the impact of trade barriers alone could mean an average drop in wages of 3%—£800 a year, in today's terms. The regional growth impact is worst in our exporting regions such as the north-east and the west midlands. Other organisations have come to similar conclusions. The Bank of England said that GDP would be almost 4% lower by the end of 2023. The National Institute of Economic and Social Research put the damage at £100 billion in real terms.

Seema Malhotra (Feltham and Heston) (Lab/Co-op)

Does my right hon. Friend agree that the uncertainty about EU free trade agreements, which currently cover our trade relations with more than 70 countries, is set to be hugely damaging to businesses up and down the country? They are currently worth more than £150 billion.

John McDonnell

Others have said that the knock-on consequences of the uncertainties are catastrophic, and I do not disagree.

Economists from UK in a Changing Europe, working with the Institute for Fiscal Studies, estimated that the public finances could be worse off to the tune of nearly 2% of GDP, which would mean £40 billion if it happened today. There is no way of dressing this up: if the House approves the Government's deal, every region of the UK—every sector, every household and business—will suffer.

Let me deal with the backstop that was arranged. Remarkably, the Government have published no specific analysis of the consequences and cost of their proposed backstop. We now know from the Attorney General's advice, which was prised from the Government and they were forced to publish, that there will be new barriers to trade between Northern Ireland and Great Britain, that there will be new barriers to trade between the UK and the EU, and that the backstop could be permanent. I quote directly from the Attorney General's advice, which says that

“the Protocol would endure indefinitely until a superseding agreement took its place, in whole or in part, as set out therein. Further, the Withdrawal Agreement cannot provide a legal means of compelling the EU to conclude such an agreement.”

Ms Angela Eagle (Wallasey) (Lab)

Does my right hon. Friend agree that that kind of arrangement really puts this country over a barrel in the subsequent trade arrangements, because such a time limit weakens our position and makes it far less likely that we will be able to come to a good conclusion?

John McDonnell

Yes, as my right hon. Friend the leader of the Labour party pointed out the other day, the timing does put us over a barrel. What is the incentive for the EU in this situation where we have given all the cards to the other negotiators?

So we are now faced with a prospect of new trade barriers and the potential for an indefinite backstop, but we have no assessment from the Government of what this will mean for the economy. Astoundingly, according to the Attorney General's legal advice,

“for regulatory purposes GB is essentially treated as a third country by NI for goods passing from GB into NI.”

Others have had their say on the constitutional implications of the backstop—a rod that the Government have created for their own back. But the Government’s refusal to include prolonged membership of the backstop in last week’s economic analysis leads us to conclude that either the Government do not know what the effect of remaining in it would be, or if they do, they do not want us to know the cost and economic consequences of an indefinite backstop.

David Morris

If we leave under this agreement, we would have free trade. We have two economies running in Ireland at the moment, one with the euro and one with the pound. Does the right hon. Gentleman agree that that would carry on under this agreement because, as we would be leaving the EU, the backstop is an insurance policy or a legal ramification to this agreement?

John McDonnell

The backstop could remain permanent. We have had confusion this morning on the advice from the House of Commons Library and the Chancellor about how it could be ended or a transition deal extended in some form. There is absolute confusion at the moment, and we are now undermining the relationship with one of our biggest trading partners as a result.

One organisation, the National Institute of Economic and Social Research, has estimated that by 2030 we could see a £70 billion reduction in national GDP, in 2016 prices, as a result. Once the Prime Minister accepted our argument for a transition period, she argued that it was right because it would mean only one change for British businesses. Now we face shifting from a transition period to a backstop arrangement, and then to a free trade deal. This is not what was promised. We do know, however, what the Chancellor thinks of the backstop arrangement because he has said so:

“I’ve been clear from the outset that I do not like the backstop. I don’t think the backstop is a good arrangement for our economy, I don’t think it’s a good arrangement for our union.”

I fully agree.

Alex Chalk (Cheltenham) (Con)

In fairness, the right hon. Gentleman is absolutely right, and it is perfectly legitimate to shine a light on the issue of the backstop, which causes a lot of us concern, but can he help me to understand something? Under his proposal, if the United Kingdom were to remain in a customs union, would there not still need to be a backstop in any event, because we would be outside the single market? Is there not a concern that it does not really solve the issue? I ask that respectfully and in a spirit of inquiry.

John McDonnell

I believe that under a comprehensive customs union agreement, it is so much more unlikely that there would be any need for that fall-back position, and we would be able to offer permanency in an agreement rather than something that is a defective insurance policy.

Others may agree with the Chancellor on his initial assessment, and, in that case, I cannot see why this arrangement—

Mr David Davis
rose—

John McDonnell
Let me press on.

A variety of commentators have criticised the Prime Minister's proposals, none more scathing than Mervyn King, the former Governor of the Bank of England. Leaving aside his description of the Government's handling of this issue as

“incompetence of a high order”,

overall he says:

“It simply beggars belief that a government could be hell-bent on a deal that hands over £39 billion, while giving the EU both the right to impose laws on the U.K. indefinitely and a veto on ending this state of fiefdom.”

Many will share the view expressed by Nicole Sykes, the CBI's head of EU negotiations, which were revealed in an email where she said that there is

“no need to give credit to negotiators I think, because it's not a good deal.”

Let me move on to my third point, which is Labour's alternative. I believe that the majority of hon. Members in this House agree that the Prime Minister's deal is not a good deal. So over the next few days, and possibly—as was hinted at this morning—for even longer, Members will be searching for a way forward. I believe that Labour's proposals for a new approach to our European relationship offer that way forward. Our European partners will have seen that the Prime Minister's deal that they reluctantly endorsed has not proved to secure the support it requires in this House or in the country. I believe that they will see the need, now, for a constructive renegotiation if both their and our own economic interests are to be protected in the long term. Indeed, that is what has happened in the past.

Labour's new deal will secure the economic interests both of ourselves and our European partners. It rests on three posts. Labour would prioritise a permanent and comprehensive customs union—yes, with a British say in future trade deals. We would deliver a strong, collaborative relationship with the single market—and yes, we would guarantee that the UK does not fall behind in rights for workers, consumers and the environment. Labour has always been clear: we respect the referendum result, but we have always said that we want a Brexit that puts jobs and the economy first—and that is exactly what Labour's approach will do.

Richard Graham (Gloucester) (Con)

The right hon. Gentleman said that Labour is looking for a comprehensive customs union agreement in which Britain will have a say in future trade agreements, but if we were in a customs union with the European Union, we would not have a say on future trade agreements. Can he clarify that?

John McDonnell

We will have a say in the future of those trade deals in our relationship with the European Union, and it will reflect the size of our economy and its contribution to the European Union overall.

Antoinette Sandbach

Will the right hon. Gentleman give way?

John McDonnell

Let me press on now.

My fourth and final point is the vulnerability of our economy to a bad Brexit, and, indeed, the vulnerability of so many of our people—the people we represent. The Prime Minister's deal does not give the certainty our country needs. Even the trickle of muted support from businesses when the deal was first done has now been replaced by a deafening silence. That is because businesses and trade unions alike now understand that under the Prime Minister's deal we are facing, in 2020, more uncertainty as this Government then decide whether to extend the transition or fall into an unlimited backstop.

If a bad Brexit is forced upon our country, and the economy and jobs are not protected, many of our people who have suffered from eight years of austerity will suffer even more. Indeed, many of us believe that it has been the economic failures of the past and the present that helped to deliver the Brexit vote. I take no pleasure in saying that it was a vote from which the Government seem almost determined to learn nothing. We have an economy that has seen wages grow more slowly than in any other advanced country in the G20.

Mr Kenneth Clarke

The right hon. Gentleman started in a welcome tone of offering cross-party collaboration. I was waiting to see what he proposed as the starting point for the Labour party. He spent about 30 seconds on that, in a couple of sentences, and he is now back to attacking the Government and the withdrawal agreement. Am I right in understanding that he essentially agrees with me that we should stay in a customs union and collaborate with our European partners on international trade deals? He talked about us collaborating with the single market, which I do not quite understand. Nowhere in the world is there an open border between two countries unless they have a customs union and regulatory convergence. Is he advocating that? That not only solves the Irish border problem, but eases the economic consequences of leaving the European Union to a considerable extent.

John McDonnell

I thank the Father of the House for his intervention. Let me make this clear. First, we want a permanent customs union, and we want to ensure we have a future say in future trade deals that reflects the strength and size of our economy. Secondly, we want a close collaborative relationship with the single market, which we believe we can achieve, but we also want the ongoing protection of regulations on employment, the environment and consumer rights. Those are the negotiations that we wish to undertake—if not in government, as a Parliament.

John McDonnell

I will press on. I think I have been fairly generous in giving way.

Simon Hoare

Will the right hon. Gentleman give way?

John McDonnell

I think the hon. Gentleman has already intervened twice. That is absolute generosity. I will press on, because I know that many other Members wish to speak.

The Government need to recognise what motivated the Brexit vote. Over time, industries that sustained whole communities around the country have been destroyed or allowed to wither, tearing

the heart out of our towns, from fishing ports to mining and manufacturing communities. This week's report from the Joseph Rowntree Foundation should be a wake-up call to us all. It confirmed that 1.5 million people are living not just in poverty, but in destitution, including 365,000 children. If we are to learn anything from the referendum vote, it is that so many of our people want change, and the decision on Brexit is fundamentally a choice about the kind of country we want to live in.

Mr Betts

Does my right hon. Friend agree that, whatever deal we come up with and wherever we move to on Brexit, we need to recognise those left-behind communities and what drove many people to vote leave, and we therefore need a major package of economic and social reconstruction in those areas, to support them?

John McDonnell

We need a major package, but one of the key criteria of that package is that it has to go beyond London and the south-east. It has to ensure that we invest in our regions, coastal towns and small towns—not just the cities. It has to bring everyone with us, as the result of a prosperous economy where prosperity is shared by everybody.

Labour has set out our stall. We stand for change, for an economy that works collaboratively and closely alongside our European partners, for an economy that invests in all the regions and nations of the UK, and for higher wages, driven by investment in skills and greater trade union rights. That is what our proposal embodies. I firmly hope that Members will agree to reject the prospect of no deal. Let us accept that the Prime Minister's deal will not protect our economy and has to be rejected. Let us work together to secure the long-term interests and future prosperity of our country and our constituents.

13:13:00

Sir Nicholas Soames (Mid Sussex) (Con)

May I start by congratulating my right hon. Friend the Chancellor on his speech, on his prudent and sensible stewardship of our economy at this difficult time and on the extraordinarily clear way in which he expressed his intent?

I should remind the House that I was a staunch remainer. I campaigned vigorously to remain, and I would certainly do so again. I am proud that my constituency voted to remain by 53%. I am personally deeply saddened by the result of the referendum, and I believe that our wonderful country made an historically bad decision that we will long regret. However, the country voted to leave the European Union in the referendum of 2016—the biggest democratic exercise in our history. I am first and foremost a democrat, and I believe strongly that that vote must be honoured.

At the time of the referendum, the then Prime Minister, my friend David Cameron, assured the country that the result would be respected. I echoed that assurance at the last election and confirmed that, however much I regretted it, I must support the democratically expressed wish of my country. I wish to make it clear that, while there are serious disagreements on both sides of the House, I believe we all have the best interests as we see them of our country at heart, and that we fight the good fight with confidence but also proper respect for those who hold long-standing views that are very different.

I was very taken with the speech by my right hon. Friend the Prime Minister at the beginning of the debate, and I wish to pay the warmest tribute to her for her tremendous courage, doggedness, diligence and determination to arrive at a deal in the national interest. I believe that she has

achieved in this withdrawal agreement an essentially pragmatic compromise, which she rightly justifies as being a realistic conclusion of that which is possible. I hope the House realises that there will not be a better deal on offer and that, if this arrangement is voted down, no different deal will miraculously appear and there will be a profound period of uncertainty and risk that we might crash out with no deal, which would, by common consent, be a disaster for our country.

At the end of the day, this withdrawal agreement will leave almost nobody satisfied, but it gives all sides of the argument something. It is not a perfect deal, and it was never going to be, for that is the nature of a complex negotiation. It is indeed a compromise, and it would be a fatal mistake, as the Prime Minister said, to let the search for the perfect Brexit prevent a good Brexit.

It is also important for the House to acknowledge that the Prime Minister, by ignoring the strident noises off, under immense pressure from all sides of our own party and the House, has managed to temper these negotiations in such a way as to ensure that we will be able, in time, to retain the closest partnership with our European friends and allies. However, I remain deeply anxious that a no-deal Brexit or a second referendum, which would likely be inconclusive after a vicious and harsh campaign, might push Britain into the kind of loathsome and hateful partisan bitterness that now so disfigures American public life and is so damaging to its democratic settlement and political discourse. We do not want that in this country.

What will be achieved by support for the withdrawal agreement is one thing but, as the House knows, there are years of hard and difficult negotiations ahead. After the most careful thought, I have concluded that what is proposed in the withdrawal agreement substantially delivers on the referendum result and must thus be honoured. It is clear that, under these arrangements, the United Kingdom will be leaving the political union, ending free movement, leaving the customs union, leaving the common fisheries policy and the common agricultural policy, ending the jurisdiction of the European Court of Justice and regaining the chimera of our sovereignty. The agreement is thus entirely deserving of the House's support.

Wera Hobhouse

The right hon. Gentleman said at the beginning of his speech that he believes the country made a mistake in the referendum that it will regret. How can he, in his conscience, not continue with that argument and persuade people that the best place for us is within the European Union?

Sir Nicholas Soames

I tried at length in my own inept way to explain why that was the case. I believe that the Government must honour the result of the referendum, democratically expressed in the biggest electoral exercise that this country has ever had, and not to do so would be a disgrace. In my view, this plan has very carefully and very cleverly managed to separate Britain from the European Union—46 years of combined earnest endeavour and legislation—with, frankly, miraculously minimum damage to each side. We need to keep it that way for this is a golden prize, given the circumstances. It would be extremely ill-judged to throw it away, which, above all, would be contrary to our national interest.

I am confident that we can then move on to building a stable future framework, as clearly set out by the Chancellor, which will formalise the great importance of our future relationship with our European friends, allies and partners. There is only one agreed proposal on the table. We owe it to our country to lay aside our differences, to accept that our great national traditions of pragmatism, common sense and compromise have never been more vital than now and then to come together, as the Prime Minister said, as “one Union of four nations”, to reassert the confidence that we should most definitely have in the opportunities that lie ahead for our nation's future, if only we can grasp

this nettle and move on. It will be the experience of many right hon. and hon. Members on all sides of the House of Commons that most of our fellow citizens devoutly wish us to get this done and to focus on the things that they really care and worry about daily—schools, policing, the national health service, transport, the environment and just getting from A to B—and all the other issues that, inevitably, have not had the attention they should have had as the Government have had to focus so much of their necessary effort on coming to this moment.

I am approaching the end of my parliamentary life. I am truly sad beyond words that our wonderful country has reached this pass, but I feel very strongly that we really must not reject this agreement and thus go back to square one, which would mean perhaps another deeply divisive and very unhappy referendum. In turn, that would mean the most damaging uncertainty economically and continuing division that will inevitably threaten the jobs and lives of our constituents and investment in our economy. I am afraid above all that the House would earn the undying contempt of the British people if it does not have the courage and vision to grasp this deal, however we may feel about it, in the interests of the greater good.

I am sure that many right hon. and hon. Members on both sides of the House remember Lewis Carroll's wonderful poem, "The Hunting of the Snark". It includes these lines, which I believe are appropriate:

"But the principal failing occurred in the sailing,

And the Bellman, perplexed and distressed,

Said he had hoped, at least, when the wind blew due East,

That the ship would not travel due West!"

To coin a phrase from a greater, kinder and more resolute period in our national life, "Come, let us go forward together and settle this now".

13:23:00

Stewart Hosie (Dundee East) (SNP)

May I say that I probably would not agree with the conclusion reached by the right hon. Member for Mid Sussex (Sir Nicholas Soames), but it was a pleasure to hear that speech?

I know that the Chancellor has had to go to a Cabinet committee meeting—I suspect there may be a number of those between now and next Tuesday—so I understand why he is not in his place. However, I would like to say that I agree with him in one particular regard—that to have no deal and to revert to WTO rules would be the worst possible outcome we could reach.

I would also say that I thought the Chancellor was incredibly sincere when he said that not to agree with the Prime Minister's arrangements in this withdrawal deal would fracture society. I have absolutely no doubt of the sincerity with which he said that but, as a democrat, I say no less sincerely that, when the circumstances change and the actual consequences of what we may embark on become clear, we have a right to change our minds, whatever that means to any individual.

I wish to restrict my remarks mainly to issues of trade, investment and migration, as a reduction in trade and investment and a reduction in migration due to an ending of the free movement of people will be the main drivers of a reduction in GDP growth, productivity and living standards for

citizens. Unless one views this as some kind of nationalistic project, surely to goodness our primary concern should be the economy, the changes to it, the impact on it and the impact on citizens.

On the decision to end free movement, as the Prime Minister says, “once and for all”, all of the Brexit scenarios modelled by the Treasury show GDP in 15 years’ time to be lower, and lower still when the impact of ending free movement is modelled. So it is time to stop pretending that ending free movement is a good thing. It is not: it is self-evidently economically damaging.

Intent on mitigating some of that, I read the withdrawal agreement in detail. The section in the political declaration on mobility states:

“The mobility arrangements will be based on non-discrimination”—

that is good, but

“free movement...will no longer apply”.

The parties will wish to negotiate short-term visits and visits for study, training and youth exchanges. They will consider social security issues. They will explore the possibility of facilitating the crossing of respective borders for legitimate travel; that means it will not exist on day one. They will allow travel under international family law, or for judicial co-operation in matrimonial matters, in matters of parental responsibility and the like. Paragraph 59 of the document states:

“These arrangements would be in addition to commitments on temporary entry and stay...referred to in Section III”.

Those are limited areas. I will come back to that in relation to agriculture, but I do not want anyone to think that this agreement will in effect allow travel as it currently exists; it simply will not.

All the serious pre-referendum assessments of the likely impact—every one—were negative. They were almost all in the minus 2% to minus 9% GDP range over the forecast periods they looked at. Even the OECD central estimate was a 5% loss of GDP over the forecast period. The subsequent analysis, the “Cross Whitehall Briefing”, suggested that GDP would be 1.5% lower in 15 years under an EEA-type scenario, 4.8% lower under a free trade agreement scenario and 7.7% lower under a mitigated WTO-type scenario. It is worth noting that even that final scenario was based on a smooth, orderly no-deal exit, not a disruptive, cliff-edge Brexit. It is, therefore, no surprise that the Bank of England Brexit analysis shows GDP growth lower, unemployment higher and inflation steeply upward the more disorderly the Brexit. Pre-referendum, the figures for Scotland on a WTO rules outcome suggested GDP down 5%, real wages down 7% and employment down by 80,000 jobs, or about 3%.

Since the withdrawal agreement has been published, there have been further assessments, which have been referenced today. The NIESR has suggested GDP growth will be reduced by £100 billion a year. The LSE has suggested that GDP will be lower—again, in the minus 2% to minus 9% range. The Scottish Government have demonstrated that, under an FTA agreement, Scottish GDP will be down by about £9 billion, which is the equivalent of £1,600 per person.

Ms Dorries

Does the hon. Gentleman have anything positive or hopeful that he could announce in his speech because this just sounds like “Continuity Project Fear”?

Stewart Hosie

This is actually the problem with this debate. There has been a series of almost universally identical assessments from dozens of different organisations, yet some people—I want to be careful about the tenor of this—have ignored all expert opinion. There has been the gut instinct reaction, “That’s what we’re going to deliver and”—by sheer force of will—“things will be better”.

Mr David Davis
rose—

Stewart Hosie
Hold on a moment.

I think it is important—this is why I have laid it out in this way today—to demonstrate that, from the start of the exercise, pre-referendum, between the referendum and the withdrawal agreement and since the withdrawal agreement, expert opinion tells us one thing. The hon. Lady is perfectly at liberty to disagree with that. She might come back in five, 10, 15 or 20 years and say, “I told you so. It wasn’t that bad.” But if we go in blindly to something as substantive and perhaps irrevocable as this and get it wrong, the public will never forgive us.

Mr Davis

The hon. Gentleman, quite rightly, makes the point that a number of expert economic opinions all say much the same thing, but of course that is exactly the same as was the case before the referendum. [Interruption.] Members may not like the facts, but I will repeat the facts to them. Exactly the same was true before the referendum. The Government’s forecast was in the middle of those expert opinions and the outcome was approximately £100 billion out in the first two years after the referendum. So there is a reason to say that the experts may be all talking within a hall of mirrors.

Stewart Hosie

I do not doubt that some of the assessments given for what might have happened to date, before we leave, were wrong. I was very clear from the outset of the referendum that nothing would happen. My personal view was that nothing would happen in the first couple of years. Indeed, even after we leave I do not think the impact will be immediate. But when we look at big foreign direct investment decisions on £1 billion investments to access a market of 500 million or access a market of 70 million, I suspect at that point we will begin to see some very substantial and negative consequences for the UK economy.

Patrick Grady (Glasgow North) (SNP)

Does all this not prove that it stands to reason that the best possible relationship with the European Union must be membership? If the deal was going to be so beneficial for the UK economy, everybody else would want the same deal and the whole European Union project would implode. That is simply not possible and demonstrates that, no matter what people were voting for, they were not voting to become poorer.

Stewart Hosie

My hon. Friend is absolutely right. I am not going to do it today, but certainly in previous debates we have gone through quote after quote after quote from Brexiteers who said that we would not be leaving the customs union, we would not be leaving the single market and we would still have the right to travel freely throughout Europe. Not everybody voted for a Brexit that was based on any single assessment damaging the economy, living standards and opportunities for their children and grandchildren.

The last of the assessments is the most recent, the Government's assessment, which again shows a central forecast in all circumstances broadly in the minus 2% to minus 9% range. I find it extraordinary that the Government in essence have ignored every single serious assessment of the economic damage Brexit will do. What we see now with this proposal on the withdrawal agreement are rabbits caught in headlights, walking the economy towards danger rather than pausing, thinking and changing course.

Richard Graham

I want to pick up on an earlier comment. The hon. Gentleman said that bringing to an end free movement would be very damaging. What would he say to my constituent, a young Gloucester girl, eight months' pregnant and badly beaten up by her European boyfriend, who is terrified that when he comes out of prison he will return to haunt her and her family, because this country cannot deport European nationals unless they have served a sentence of longer than two years? Does he agree that there are some elements where actually it would be protective, not damaging?

Stewart Hosie

I am reluctant to get into an individual case. Suffice it to say we all have constituents. The same young lady may have been assaulted by a man from the same town who lives two streets away. Nationality and the ability to travel in that circumstance, however difficult, is actually irrelevant.

Luke Graham (Ochil and South Perthshire) (Con)

Before my hon. Friend's intervention, the hon. Gentleman was making a point about looking at economic futures and the Government facing facts where growth could be less than expected. Does he not see the irony of SNP Members making that point, when reports clearly state that Scotland, were it to be separated, would face 25 years of austerity? Keeping to his more consensual tone in the Chamber, I would just say that when he quotes GDP figures and minus or plus, addition or subtraction, could he be clear to the House, because I think it is very important for all those watching, that we are talking about growth being less than forecast? Growth will still happen, but it will be less rather than none at all.

Stewart Hosie

I have been absolutely clear that these figures are against the baseline. That is absolutely correct. These are figures where GDP is lower than would otherwise have been the case.

The language of the political declaration is about negotiating a future relationship. If we set aside the way in which that has been dressed up as some kind of exceptionalism that we are going to have the best deal ever, we are in essence talking about no more or no less than the vague intention to start to negotiate what the Government hope will be a preferential free trade agreement. However, the vulnerability of our economy to Brexit cannot be adequately mitigated through a UK-EU free trade agreement. That is, in essence, all we are talking about. For example, the EU FTA with Canada does include some limited provision for some degree of third country validation that is aligned with EU regulations in order to facilitate the trade in goods, but it falls substantially short of securing access to the European single market that the UK or any European Economic Area member country currently enjoys. We argue that continued membership of the European single market and the customs union is vital to ensure that the UK economy continues to benefit from those current fundamental trading arrangements.

If memory serves, there was a previous assessment by NIESR that demonstrated that retaining single market membership could avoid a 60%—yes, 60%—decline in goods and services exports to the EEA in comparison with an arrangement based on WTO rules. I would also add at this point

that the current arrangements do not simply facilitate trade with the EU directly. Membership of the EU has, for example, enabled Scotland to benefit from EU FTAs with more than 50 trading partners, so that by 2015 Scotland exported £3.6 billion to countries with which the EU has a free trade agreement. That trade accounted for 13% of Scotland's international exports. In addition, although this is harder to quantify, many of the products exported from Scotland to the rest of the UK—this goes the other way as well—will form finished goods destined for the rest of the single market or countries with which the EU has an FTA. I will come back to that point, because it is important.

Of course, the rather non-exhaustive list of reasons why trade is likely to fall and drive down GDP growth, includes: the increased cost of bureaucracy; uncertainty about the nature of customs arrangements; additional regulatory burdens; non-tariff barriers, which in some cases are the most significant; uncertainty about the legal basis upon which certain transactions may be carried out; and so on. Now, it is likely that some of those issues will be resolved—I have no doubt about that—but not all, not quickly and not without a cost to businesses and the economy.

If we look briefly at one or two of the ways in which the political agreement intends to take us forward, we can demonstrate how uncertain that is. On customs—this is in paragraph 27 of the political agreement—the UK has suggested a facilitated customs arrangement, or “facilitative” as it is described. But that is broadly similar to the maximum facilitation already described as fundamentally unworkable by the EU. On tariffs—this is in paragraph 23—what is said is fine in principle, but if we do not achieve that or if there is no deal, we are left with a situation where some people who support a harder Brexit are suggesting we set all our tariffs to zero and thus increase trade. However, were that to happen—this was confirmed yesterday in terms of the backstop—there is no guarantee that it would be reciprocated and it may well lead to the dumping of goods here from countries with massively lower labour costs, undermining business, jobs and prosperity here. Absolutely nothing is certain. In a sense, we are not taking a decision on an agreement. We are taking a decision on a wish list in a political statement, some or all of which may come to naught.

I have already gone through what is said in the political agreement about labour, and we are already seeing staff shortages, particularly in the rural economy. UK farms take in about 60,000 workers a year on a seasonal basis. The UK Government's present proposal is for an evaluation scheme of 2,500 people. That does not cut the mustard. It may be that this matter is resolved in two or three years and that this issue is resolved quite successfully, but the damage will be done by then; the crops will have rotted in the fields.

I think that somebody said earlier, “This is all terribly bad news, it is all Project Fear—is there any reason for optimism?” Frankly, I do not think that there is. I do not believe that an FTA could adequately mitigate the damage that Brexit will cause. The Government's own assessment says that an end to free movement plus an FTA would result in a decline of around 6.7% of GDP.

It was argued in the UK Government's “Global Britain” strategy that we would offset a decline in trade with the EU from being outside the single market by exporting to more countries. However, fully replacing the value of EU trade will be challenging, as illustrated by the trade flows from the emerging BRICS economies—Brazil, Russia, India, China and South Africa. I will use the Scottish figures to demonstrate that briefly. Those nations account for £2.1 billion, or 7%, of Scotland's exports. In comparison, the EU accounts for £12.3 billion, or 43%, so even a small proportionate loss in trade, or lost growth in trade with the EU would require a dramatic increase in trade—over 30%—with those countries. We would all love to see that happen across the whole of the UK, but I suggest that that is highly unlikely.

If the UK signed agreements with the 10 biggest non-EEA countries, including the USA, China, and Canada—a process that could take many years—that would cover only 37% of Scotland’s current exports, compared with the 43% that goes to the EU. Some of the trade simply could not be substituted. If one is selling low-margin or perishable goods to the EU that are refrigerated in a wagon overnight, it simply cannot be substituted by shipping the same stuff to Australia, Japan or China. It simply does not work like that.

Finally on trade, it is also worth pointing out that despite the Government’s optimistic assumptions, even signing a substantial number of trade deals would result in an increase in trade of less than one quarter of 1% of GDP compared with the situation today—that was confirmed yesterday—if we successfully negotiate trade deals with the US, Australia, New Zealand, Malaysia, Brunei, China, India, Brazil, Argentina, Paraguay and Uruguay, the UAE, Saudi Arabia, Oman, Kuwait and Bahrain. That is an awful lot of risk for very little potential gain.

I want to talk about two other areas briefly. The first is foreign direct investment, now a key feature of the contemporary global economy and one from which the UK and Scotland derive considerable benefits. We have seen a substantial number of jobs in Scotland owned by EU companies that have invested here over the decades precisely to have access to the European market. There is no certainty that that would stay, and in the future much of it would go.

The second point that I wish to raise is productivity. The Bank of England assessment in the past week cites academic evidence that shows how tariffs may force the reallocation of

“production toward less efficient domestic producers, lowering aggregate productivity”—

So, even if there is substitution, as many argue, it is likely to lower aggregate productivity.

Mr Baron

Will the hon. Gentleman give way?

Stewart Hosie

I will, one final time.

Mr Baron

I appreciate the hon. Gentleman’s generosity. All the evidence shows that inward investment is about relative advantage. It is about lower corporation tax rates and flexible labour markets. It is about a skilled workforce and our universities. Tariffs of 3% to 5% are not as important as other factors, and I suggest that he looks at the record inward investment that we have seen in this country since the referendum result, to prove that point.

Stewart Hosie

The hon. Gentleman is right in one regard: tariffs are important—in some areas, very important—but the non-tariff barriers, as I said earlier, may be more significant. We are already seeing skilled labour leave and not come back. We are already hearing that our universities, which he mentioned, are now worried because their academic working together with Europe is no longer there. The relative advantage of an English-speaking country with access to the EU market was there for all to see. Some people now wish to rip that up.

Every single Brexit model is bad. Investment is likely to fall, trade will most certainly be reduced, barriers will be erected, people will be poorer and productivity will be stifled. On that basis, we need to think, and think again—and quickly. As I see it today, and I will paraphrase the Prime

Minister's words from another constitutional debate: there is no positive case for Brexit, now is not the time for Brexit, and frankly, Brexit must be taken off the table.

13:46:00

Mr David Davis (Haltemprice and Howden) (Con)

Before I attempt to pick up on the shadow Chancellor's final views on where we are going, rather than on where we are, I draw the House's attention to a wider issue, which I think goes to a quite important set of facts that the hon. Member for Dundee East (Stewart Hosie) was talking about in terms of Scotland's export arrangements. When economic historians look back on this time in 100 years' time, I suspect that they will view Brexit as small by comparison with what has happened with the entire global trade. In the last third of the century, we have seen a huge transformation in the wealth of the world off the back of free trade. About a quarter of the world's population, or well over 1 billion people, have been raised out of absolute poverty—\$2 a day or thereabouts—by free trade. It has been a magnificent story over about one third of a century.

In that time, this has had an impact on us, too. We have gone from having 60% of our trade with the European Union and 40% with the rest of the world 20 years ago to nearly the other way around—in a couple of years, 60% will be with the rest of the world and 40% will be with the European Union. I am loth to quote forecasts, given the bad name that they are being given at the minute, but the projection—not a forecast—is that that will continue.

To pick up on the point made by the hon. Member for Dundee East, if we take the top three markets for British goods, or UK goods, in the rest of the world versus Europe, the top European ones of Germany, France and the Netherlands are dwarfed by our sales to America, China or Australia—our top three in the rest of the world. I take his point that we have to look very carefully, as we did when I was in government, at the regional balance of some of these exports, but the aggregate picture is very clear. Our trading future is more in the rest of the world than it is in Europe. This has huge implications—massively underestimated by Treasury and Bank of England forecasts over and again—for the need to keep our freedom to do trade deals to maximise our ability to exploit that.

I am not going to spend very long on the actual proposal that the Government have put in front of us, because it seems to me very clear that it will not survive the end of this debate. Very quickly, the Attorney General's advice tells us that the backstop would endure indefinitely and that it would tie us to the customs union with no escape. That has massive implications for what I just said. The deal would still leave us, whatever the Chancellor says, subject to the rule of the European Court of Justice, albeit by a back-door and concealed route. It would see Northern Ireland carved out of the United Kingdom and tied to the European Union single market and the customs union, and it gives away £39 billion in exchange for the vaguest of political promises on a future deal. Because of all that and because we would be locked in at the discretion of the European Union, it puts us in a formidably bad negotiating position for the future. In my view, other than the constitutional issues, that is the most serious practical aspect of what is proposed. I do not believe that it will survive, which means that the shadow Chancellor's question, "What are the future options?" is the central question of the debate.

Peter Grant (Glenrothes) (SNP)

I am grateful to the former Secretary of State for giving way. I note his reluctance to believe in forecasts, but he has not always been reluctant to forecast. In fact, on 25 May 2016, a month before the referendum, he said:

“The first calling point of the UK’s negotiator immediately after Brexit will not be Brussels, it will be Berlin, to strike a deal”.

If my memory serves me right, he became that “UK’s negotiator immediately after Brexit”. Can he tell us how the striking of the deal in Berlin went and when will we see it? Is that what he has in his hand now, or has he lost it?

Mr Davis

People have to read more than one line of a speech. Perhaps the hon. Gentleman’s iPad is too small to carry more than one sentence. I also said that the critical part of the negotiation would not be the first two years, but the last three months, when France and Germany would determine the outcome. If the hon. Gentleman wants to quote me again, he should get it right next time.

Richard Graham

May I make one small point? My right hon. Friend has focused on the backstop on the Northern Irish border, and he has quoted the Attorney General as saying that we could be in that indefinitely, but surely the “if” is if we decide to go into the backstop in the first place. The other option is to extend the transition. Does he not agree?

Mr Davis

That is what is laid out in the proposal, but the transition will then come to an end, and at the end of that, we will still have to make a decision on where we are going, backstop or no. I am afraid that we are always in, and the point is that it is at the behest of the European Union, not at our behest. I have nothing against the European Union, but it is the negotiating partner that may gain an advantage from delay.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con)

May I reassure my right hon. Friend on that point? It is clear from article 3 of the protocol that it is not necessarily a right for us to have that extended transition. We can only ask for it, and that is a different thing.

Mr Davis

Yes, that is also true, but the general point is that the overall timetable is not in our control; it is in the other side’s control. As we have seen throughout this entire negotiation, the moment we gave away sequencing at the beginning, we gave an advantage to the other side. My right hon. Friend the Member for Clwyd West (Mr Jones), the former Minister of State, is nodding: he remembers it.

There are essentially three emblematic conclusions to this. The first is the World Trade Organisation, which we have talked about already—I doubt whether it will be a deliberate conclusion, but it is a possible one—the second is Norway, which a number of Members on both sides of the House have suggested might be the best outcome, and the third is Canada plus, plus, plus. There are compromises between them; there are mixtures of them; but those three essentially capture the possible outcomes.

Let me start with the issue on which I disagree with pretty much everyone who has spoken so far: the World Trade Organisation deal, the so-called no deal. The Chancellor called it a strict no deal, because he knows full well all the preparations that have been made in the Government to create a basic no deal, or basic negotiated outcome. There is a whole stratum, a whole spectrum, of possible types of no deal. Some of them deal with the issues that my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston) raised earlier—aviation, data and so on. If this deal goes down,

as I think it will in a few days, there will be a scramble in London and Brussels to start putting those one-on-one, unilateral negotiations together. So there is a range of possibilities.

Helen Goodman

I am slightly puzzled why the right hon. Gentleman is so critical of the backstop arrangement, given that he himself signed off the original draft in December last year.

Mr Davis

The hon. Lady clearly has not read my resignation letter, in which I made clear what I had said to the Prime Minister about that backstop arrangement.

Ms Dorries

Aviation and the WTO were mentioned earlier by my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston). The EU itself is looking for a deal on aviation, as we would be, so there is actually no difference. The EU still does not have a deal on aviation.

Mr Davis

That is hardly surprising, given that we have the biggest aviation hub in Europe and one of the biggest in the world.

Jim Shannon (Strangford) (DUP)

It was said earlier that all the regions in the United Kingdom would support the backstop. Members of the Democratic Unionist party in the House do not support the withdrawal agreement. Does the right hon. Gentleman recognise—I suspect that he does—that Unionists feel alienated by proposals that will weaken our position in the United Kingdom of Great Britain and Northern Ireland, because the EU will have the final say on what happens in relation to the single market and the customs union over Northern Ireland?

Mr Davis

Let me reinforce the point that I made to the hon. Member for Bishop Auckland (Helen Goodman): I told the Prime Minister that last December, as everyone now knows.

I do not take a utopian or a dystopian view of the WTO option. There are Conservative Members who think that it will be the best option in the long run, because it is the freest in terms of outcomes, and there are those who fear it as a complete disaster. I think that it is neither. There has been an enormous amount of black propaganda about the outcome of the WTO proposal. A month or two ago, we heard that the supplies of insulin would dry up. No, they will not. We talked to pharmaceutical companies and to the NHS, and they did their checks. No drugs will dry up, full stop. My hon. Friend the Member for Mid Bedfordshire (Ms Dorries) mentioned aviation. We were told that planes would be grounded, but a European Commission briefing document showed in January 2018 that there would be EU-wide contingency measures ensuring no stoppage of aviation.

Antoinette Sandbach

I should be grateful if my right hon. Friend looked at the evidence that pharmaceutical companies have given to the Business, Energy and Industrial Strategy Committee about the catastrophic results of a no-deal Brexit. I recall him saying that we would not need an implementation period, because we would have had our deal by now. I am afraid that it is not as easy or as simple as he appears to wish to outline.

Mr Speaker

Order. It is in order for Members to intervene, and it is in the nature and tradition of parliamentary debate in this place. However, I hope that I can be forgiven for making the point that if Members intervene and are not subsequently called to speak, they will not complain—brackets: what are those pigs I see flying in front of my very eyes?

Mr Davis

What a pity, Mr Speaker. I enjoy interventions, as you well know.

My hon. Friend the Member for Eddisbury (Antoinette Sandbach) has misquoted me from somewhere. It was I who negotiated the implementation period element, precisely because it is not without hiccups. It is not without issues. There will be practical issues in the first year of a WTO outcome, but that does not overwhelm the big advantages—the massive advantages—of having the freedom to negotiate our trade deals in the future.

Mr Alistair Carmichael (Orkney and Shetland) (LD)

Will the right hon. Gentleman give way?

Mr Davis

I am afraid not, on this occasion. I hope that the right hon. Gentleman will forgive me. I have just almost been given instructions.

Let me now say a little about delays at Calais. The first thing to say is that the French do not intend them to happen. I know that, in our chauvinist way, we expect the French to misbehave, but that is not their intention. The prefect of the Calais region, the representative of Calais and the head of French customs have all said in terms that they will do everything in their power—through lower inspection rates, light-touch phytosanitary inspections and the rest—to ensure that the trade between Calais and Dover will work. If there is a hiccup—we have had them before, with driver strikes and so on—we shall be able to divert 20% to 40% of the trade to other ports. That is a good example of the wild assertions that are simply not right.

I am very sorry that the Chancellor is not here, because I wanted him to hear what I had to say about the projections to which the hon. Member for Dundee East referred and on which I think he relied rather too much. It was not “The Rees-Mogg Times”, or some other organisation on one side of the debate, that criticised the Bank of England. It was a Nobel prizewinner, Paul Krugman—hardly a Brexiteer—who castigated the Bank, as did Andrew Sentance, a former member of the Monetary Policy Committee, who, again, is not a Brexiteer. Those were simply disgraceful polemical projections. They were not forecasts in any way, and I think that the Bank will come to regret them, if it has not done so already. So that is the practical element.

There is another issue to bear in mind. The WTO option is a walk-away; that is the problem—it is a walk-away. It is an outcome that we do not want, but we need it to have a proper negotiation; that is a hard fact that we have to face. We all think that we will suffer most from a WTO outcome, but that is simply not the case. There is an asymmetric arrangement here. We have a floating pound, to cite the German chief economist of Deutsche Bank, and the movement of the pound is what has protected us so far in the past two years, and it will protect us again. We have unilateral capability that nobody else in Europe will have: the ability to change our taxes and regulations to make sure we get the FDI—foreign direct investment—that the hon. Member for Dundee East talked about.

Finally, of course, we have the upside of the other free trade agreements, and that is another reason why I am sorry that the Chancellor is not present, because one of the big differences between him and me is that he does not believe free trade agreements deliver a large economic bang for their

buck. The past 30 years of world history, however, show that there are billions of people in the world who might just take a different view on that.

The second option I want to talk to briefly is the Norway option. I looked at that option very carefully; indeed, I got castigated from my own side for paying it too much attention, but I thought that it was very important to ensure every single possible option was explored well, and I was approached by, and talked at great length to, my hon. Friend the Member for Grantham and Stamford (Nick Boles).

Norway plus appears to its protagonists to have three virtues. First, they say that it is the easiest option to negotiate; it involves the smallest movement and therefore is the simplest negotiation. Secondly, they say it meets the conditions of the referendum. Thirdly, they say it is the softest of soft Brexits. All those are possibly good arguments, except that they are not true. The negotiation would not be simple; we cannot simply stay in the EEA, as that does not work. Jean-Claude Piris, ex-head of the EU legal service, said in terms that we will have to renegotiate every single clause of the EEA arrangement. It will require unanimity from 30 different members, and they will exact a price. One of the advantages of Norway, we would think, is that we could control our own fisheries policy, but would we get that with a vote from Denmark, from France and from Spain? No, we would not. That is one of the problems: the negotiation hurdles are very big. It is reported that Michel Barnier said this was a possible outcome, but only in conjunction with customs union membership. With the two together, we are locked in; we are basically in a worse position than the Government's proposal. We are basically locked into the single market—no say and no control, but in every other respect, including the free movement of people and paying money, we will be locked in. Norway does not find it satisfactory politically, and, frankly, a country like ours certainly should not. So that does not work. Finally, it is said that this option delivers on the result of the referendum. No, it does not. Free movement, money, independent trade policy, jurisdiction of the supranational courts, rule taker—on all those criteria, we fail under Norway.

So what is left? The last option is the free trade agreement. I have long thought this was the best option. This is the one that has been called Canada plus, plus, plus and super-Canada and a variety of other names, and somewhere buried in the middle of my old Department of DExEU there is a pile of papers laying out how this can be done in detail, including some legal text. The concept is simple, and that is important in this context, because we will have very limited time in the last few months to negotiate this. I made the point a couple of years ago when making this argument that these are the three months that matter: the EU always takes the negotiation down to the wire—to the last day, the last hour, the last minute, the last second, and sometimes it stops the clock to allow the negotiations to conclude. And that is what is going to happen here; I suspect we are going to go deep into time on this.

Why was this option attractive? It was attractive because we could build it from precedents. Canada is an EU-negotiated precedent, and we could add to it—this is the plus, plus, plus bit—all the bits that are not good about the Canada option. There is no decent mutual recognition agreement; we can lift that out of South Korea or the Australian deal. There are no decent phytosanitary arrangements; we can lift that out of New Zealand. So we can go back to the EU and say, “Here we have a proposal constructed entirely of your own precedents. It can't undermine the single market, because you negotiated it. It can't undermine the four principles, because you negotiated it.” That is the attraction of the Canada plus, plus, plus option—it is based on that template. It is all based on precedents previously negotiated by the Commission. So it is perfectly possible for us to create a draft legal text on the basis of where we are now and put that back to the EU and say, “The £39 billion rides on this. You have to agree the substantive elements before we sign off and then you have to agree the detailed elements by the end of 2019.” There is plenty of time to do that on the

basis of existing boilerplate text. That is what we should be doing. We should stop grovelling to Europe and start grasping our future.

14:05:00

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op)

I stand proud to represent the borough of Hackney—proud that my borough voted 78.5% in favour of remaining in the EU, and proud that my borough is home to 41,500 European citizens, representing 15% of our population. And I am delighted to follow the right hon. Member for Mid Sussex (Sir Nicholas Soames), with whom I find myself in great accord in my distress that we are leaving the EU and making a long-term big mistake for this country. I celebrate the fact that the EU has brought peace and security to Europe for so many years.

But I am dismayed to follow the right hon. Member for Haltemprice and Howden (Mr Davis). He spent 20 minutes not telling us a great deal, but he was at the heart—on the frontline—of negotiations with the EU and he left: he walked away from the challenge and now comes to decry the Government option and nearly every other option on the table, rather than, when he had the chance, coming up with a solution. And I see the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) in his place, too. These are people who wanted to leave and have walked away, and are now not even content when we are leaving.

Back in 2017 I voted against triggering article 50. Some might conclude that that is simply because I represent a borough that voted so heavily to remain, but, more than that, it was always practically impossible to disentangle from our long relationship with the EU in just two years. In my view we should have thought much more carefully about that.

There are huge practicalities in leaving which the right hon. Member for Haltemprice and Howden did not seem to cover at all. My Committee—which I am honoured to chair, and of which the right hon. Gentleman is a former Chair—has produced eight unanimous reports highlighting the challenges to Government of preparing to leave the EU, and the civil service has been hampered by the need to develop plans for three different scenarios—whether we have a deal, no deal, or a transition—and all the various complications within them. This approach has been costly and confusing and means we lack real certainty, and businesses in particular—businesses in my constituency and up and down the country—are worried about the future.

In short, the Government have been reckless: they were reckless to call the referendum so quickly in the first place, with an ill-defined question that resolved nothing; in having no plan for what to do after that—not a single civil servant planning for an exit outcome; in triggering article 50 so quickly, again with no planning; and they have been reckless in leaving preparations so late in the day. We are not even going to get the legislation through Parliament. We possibly will if we sit 24/7 between now and the March, but there is a real risk we will not get that done.

The cost of uncertainty is also high in pounds and pence. I am proud to represent the tech sector in Shoreditch and the City fringe, but the cost of the deal is particularly harsh for small businesses. HMRC estimates that in terms of customs declarations alone small and medium-sized enterprises will have additional costs of between £17 billion and £20 billion a year just to comply with new customs if we crash out with no deal. There will be huge supply chain disruption even if we have a deal, let alone if we crash out with no deal. There is also the huge issue of access to skills. As came out earlier in the House today, there is not even an understanding yet of what the Government's new proposals for immigration will be. Many in the tech sector rely on immigration from around the

world, including Europe, and that free movement has been crucial in filling some very particular skills gaps, but the Government have been silent on that as we approach this huge vote.

So I back my right hon. Friend the Member for Leeds Central (Hilary Benn) because I believe that the House must not sanction no deal; it cannot be an option. I do not believe there is a majority in the House for no deal, but I fear that it could happen by default, and that would be a real betrayal of our role and responsibilities to the British public. So I urge all colleagues to rule out no deal emphatically. It is not a good solution by anyone's count.

We also need seriously to consider extending article 50 or, if not, at least having a much clearer purpose about extending the transition period in order to combat the uncertainty that my right hon. Friend the Member for Hayes and Harlington (John McDonnell) has already highlighted. I shall not repeat what he said. We need to get to a better solution. We need preparation and certainty for business. We need the understanding of what immigration will be like, and we need to reach consensus. If we cannot do that, we will have failed the British public.

Many of my constituents have asked me to support a people's vote. I certainly did not rush into supporting this. I think that the right hon. Member for Mid Sussex and I share some of the concerns about what it could do to our country and to the trust placed in referendums. The proposal is riddled with challenges, not least that it would take a great deal of time. We would also have to have a majority for it in this House, and the Government would have to heed that. They would have to bring forward a Bill, and that Bill would have to have a majority. This is before we have even decided what the question would be.

The Government have so far failed this country at every step of the way. The deal on the table is bad for Britain, and I cannot in all honesty support it. I do not believe that the Government will get it through next week, so Parliament will need to step up. If we cannot agree at that stage, there will be no alternative but to return to the people, with all the damaging consequences that that could lead to.

Mr Speaker

Order. The five-minute limit on Back-Bench speeches will now have to apply. I know that the right hon. Member for Ashford (Damian Green) has been notified of this.

14:11:00

Damian Green (Ashford) (Con)

Thank you, Mr Speaker. It is always a pleasure to follow the hon. Member for Hackney South and Shoreditch (Meg Hillier). By my calculation, I am the 93rd speaker in this debate, so the challenge is clearly to find something new to say. This is an issue that excites high passions, and sometimes destructive and dangerous ones, but if Parliament is to do its job—this institution is being tested as much as possible—we need to temper those emotions with calm judgment.

The root of our difficulties is the fact that the referendum result was 52% to 48%. How do we turn a binary referendum result like that into a treaty and legislation? We need to do two things. The winners need to see that they have won. I say that as someone who campaigned as hard as anyone on what was the losing side. But at the same time the settlement of that win needs to aim at uniting the country, as the Chancellor said. I have come to the conclusion that the best way to do that is to support the deal that is on offer. There are many positive aspects to the deal, including the free trade area to which the Chancellor referred. Also, it meets the needs of EU citizens here and of UK citizens in EU countries.

The financial settlement is a considerable improvement on the €70 billion to €100 billion we were originally told we would owe. Some of our negotiating has been extremely successful. Indeed, I appear to think that it was more successful than one of the previous Brexit Secretaries thinks it was. I am also, unfashionably, an admirer of Ollie Robbins. One of the key things we have negotiated is the transition period, which is not only sensible but essential for the future economic health of this country. However, to have the transition period, we have to have a deal. No deal means no transition. We are three and a half months away from a completely new set of rules, for which no one is prepared. So we should now, logically and unemotionally, work out which is the best possible deal on offer and also, among the hierarchy of things on offer, work out what is the worst possible one. Contrary to what the previous Brexit Secretary believes, I believe that no deal is by far the worst thing on offer.

I recently visited the port of Dover to receive a practical briefing on the implications of any disruption to the Dover-Calais crossing for the approximately 10,000 trucks a day that pass through the port. This is not so much about complaints about the British Government's preparations for no deal; it is more about what would happen on the French side. I shall give the House one small but vivid example. A lot of the trade that goes through the port involves food, and if we have no deal, the French will want to check that our food meets their health standards. In order to do that, they will have to stop many of the trucks, first to check whether they are carrying food and then to inspect it. There would be queues within hours, and within days the whole of Kent would be gridlocked. It would be a disaster for my constituents and for the country. That has nothing to do with any preparations in this country; it is about the preparations in France.

The Dover-Calais crossing is one small example of what the Chancellor was saying about industries around the country, and I believe it illustrates that the result of no deal would be chaos, dislocation and huge economic difficulties. I will no doubt be accused of promoting "Project Fear". If I am, it is because I am afraid. I am afraid for my constituents and my country if no deal is where we find ourselves in March. And to those who are advocating trade deals, I would gently point out that if trade deals are so good, which I agree they are, why are we starting the process by wanting to pull out not just of a deal with our largest trading partner but of all the other trade deals it has negotiated around the world?

This vote is about more than the economy. It is about Britain's role in the world. It is more than 60 years since an American friend observed that Britain had

"lost an Empire and has not yet found a role".

Today, the country has decided to lose its EU membership, but it is nowhere near finding a new definition of our national purpose. Global Britain is a good slogan and a great aspiration, but at the moment it is nothing more than that. We need to find a new national purpose, and we need to do so as quickly as possible. I will be supporting the Government and I urge the House to do the same.

14:16:00

Ms Angela Eagle (Wallasey) (Lab)

After two wasted years of wrangling with her own Cabinet and her own party, the Prime Minister has come back from Brussels with her deeply flawed and unacceptable EU withdrawal deal. And she has achieved the impossible: she has united the country in horror against it. According to all the official forecasts, this is a draft treaty that will make our country poorer. Far from taking back control, the deal we are debating today gives away both our sovereignty and our influence. And as

the Attorney General's advice has confirmed, this treaty gives the EU a veto on our leaving a temporary customs union arrangement even if talks on a new trade deal have irreparably broken down. This is a deal that transforms us from rule makers into rule takers and diminishes our influence in the world.

The Prime Minister promised to provide a detailed and substantive document on our future relationship with the EU alongside the draft treaty. She has actually supplied a half-baked 26-page wish list of banal aspirations that was cobbled together at the last minute and has no legal force. The failure to outline the nature of our future relationship with the EU makes this agreement a blind Brexit, and that is completely unacceptable. The Prime Minister expects this House to endorse her deal without any clear idea of what our future trading arrangements might be. She asserts that there is no alternative to her deeply flawed deal apart from a catastrophic no-deal Brexit, which we know would decimate our economy. This negotiation is an abject failure by a Government who have wasted two years negotiating with themselves rather than doing the right thing for our country.

This could all have been so different. The Prime Minister has badly mishandled the Brexit process from the beginning, making a series of catastrophic misjudgments, and she is now reaping what she has sown. As a newly installed Prime Minister, she could have shown some real leadership. She could have recognised that although the country had voted to leave the European Union in 2016, there was no instruction from the people as to what sort of Brexit the Government should pursue. She could have launched a national process of debate and reconciliation to build consensus around the best way forward as a way of healing the raw divisions that the referendum exposed. She could have involved the Opposition parties in this endeavour, recognising that her predecessor in Downing Street had done nothing to prepare the country for what would happen if the leave campaign won. But she did not.

The Prime Minister chose instead to kowtow to the irreconcilable Brextremist ideologues in her own party. In place of a national debate and a hope of reconciliation we were told, "Brexit means Brexit". In her first conference speech as party leader, she set the tone by lambasting citizens of the world as citizens of nowhere, insulting and worrying EU citizens working in the UK. She has since accused them of jumping the immigration queue. Absurdly wrapping herself in the Union Jack to appease her own Eurosceptics, she then set a course in her Lancaster House speech for a hard, "red, white and blue" Brexit. The Prime Minister interpreted "taking back control" as centralising power to herself and her increasingly dysfunctional Government. Far from reaching out and respecting the sovereignty of Parliament, she attempted to ride roughshod over the constitutional role of this House. She had to be dragged kicking and screaming back to Parliament by the Supreme Court, which confirmed that legislation was required to invoke article 50 and fire the starting gun on the withdrawal process.

Once the Prime Minister had triggered article 50, she promptly called a general election in the expectation that she would win by a landslide—

Chris Ruane (Vale of Clwyd) (Lab)

She let me back in.

Ms Eagle

And we are all grateful for that. In the event, the Prime Minister squandered three months' negotiating time and the first Conservative majority for 25 years. This Prime Minister has repeatedly invoked her own partisan definition of "the national interest" when, in truth, she has acted at all times in the narrow sectional interest of her own deeply divided party. That is why her belated pleas for unity and an end to division rang so hollow when she opened the debate on

Tuesday. Rarely has such narrow rigidity and authoritarian instinct met a situation that required maximum flexibility and creativity. Rarely has there been such a catastrophic failure of imagination, political judgment and party management. I cannot support this botched blind Brexit deal. It fails to protect jobs and economic prosperity, and it will make us poorer.

14:21:00

Ms Nadine Dorries (Mid Bedfordshire) (Con)

It is a pleasure to follow the hon. Member for Wallasey (Ms Eagle). I always find it slightly amusing when Labour Members describe the Conservatives as deeply divided—

Albert Owen

It's true.

Ms Dorries

The reverse is true. It is also a pleasure to speak after the right hon. Member for Mid Sussex (Sir Nicholas Soames), and I particularly enjoyed his reference to Lewis Carroll. While listening to the hon. Member for Dundee East (Stewart Hosie), who is not in his seat, I was put in mind of Milton:

“No light, but rather darkness visible.

Serv'd onely to discover sights of woe”.

Of course, that comes from “Paradise Lost”, which is exactly what the hon. Gentleman's speech sounded like. As we are on a literary theme, I want to quote the Attorney General, who described the deal before us as akin to Dante Alighieri's first circle of hell which, as we all know, is limbo. In fact, it is worse than limbo, because it is a bit like imprisonment, and it is why I, on the behalf of my constituents, from whom I have received many thousands of representations, will not be able to support this deal. If there was a guarantee that we could secure a trade agreement at the end of the transition period and if there were no automatic backstop, I may have been able to support it. However, I am doubtful that we would be able to secure this trade agreement. The Chancellor said that he would prefer to see an extension of the transition period, and then there would probably be another extension, which is what the Attorney General was referring to.

I see no reason why there could not be a time limit on the discussions for a trade agreement with the EU. Canada has already been there and done that with the comprehensive economic and trade agreement, and those negotiations make me doubt that we would reach an agreement in the first phase of the transition. CETA took seven years, and it has still not been signed off and ratified—it is still a provisional agreement. We may not reach a trade agreement with the 27 member states, and we have already seen how difficult it is to negotiate with them. Belgium was incredibly difficult during Canada's negotiations with the EU, for example. If we do not reach an agreement, we will have to ask the 27, “Can we leave?” There is no unilateral way to exit, which is like taking us into the transition period, but in a pair of handcuffs, and I simply cannot agree to that. That is not what people voted for. They did not vote for limbo or to continue to be dictated to by the 27 member states.

Turning to the backstop, whatever side of the House or the argument they are on, I know of no Member who will answer positively to, “What do you think the chances are of us negotiating a trade agreement with the EU in the transition period?” Almost everyone says, “Absolutely none.” We will therefore end up in the backstop by default. According to the legal advice, which the Attorney General provided at the Dispatch Box without having to publish it, that will put us in an extremely

difficult position. Again, there is no unilateral way out, and it will precede the break-up of the Union. It puts us in an invidious position with regard to the Northern Ireland agreement. It will lead to a scenario that we do not need to be in.

I started talking about Canada, and that sort of agreement was offered to us by Barnier. Our negotiators refused to accept it, but it was what was articulated in the Lancaster House speech. If the Prime Minister had come back with an agreement based on that speech and on the Canada plus agreement that she was offered by Barnier, I would vote for that on the behalf of my constituents and they would agree with it, too. Sadly, however, she did not, and I cannot support this withdrawal agreement.

14:26:00

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP)

I rise to speak today on what is the United Kingdom's 96th birthday. The United Kingdom of Great Britain and Northern Ireland started 96 years ago. When I think back to John Major talking in the '80s about 1,000 years of British history, I have longed to utter those words and make people realise that the UK is not as old as he thought.

On this 96th birthday of the United Kingdom, we are in what I would call a Laurel-and-Hardy situation with Brexit. It is clear that Brexit is crazy, silly, nuts, wacky, cuckoo, potty, daft, cracked, dippy, bonkers—the list goes on. In Gaelic, I could say that it is gòrach, faoin, amaideach, caoicheil, air bhoil—the list again goes on. We are seeing that the UK will struggle to see its 100th birthday as a result of this nonsense. As the Chancellor laid out in his speech earlier, Brexit will have opportunity costs. He gave us five scenarios, but we are down to two scenarios from the Government. The Prime Minister has given the UK a choice between a deal or no deal, leading to economic damage of between 3.4% and 6.4% of GDP or 6.3% to 9% of GDP respectively. Each percentage point of GDP equates to up to £26 billion. By way of contrast, the 2008 crash was a 2% event. Those percentage points mean a loss of jobs, wages, prosperity, housing, infrastructure, taxation for health and education funding and so on.

How does all that happen? Well, there are a few examples. For instance, Toyota takes 50 lorries a day across the channel to factories in Derbyshire, with a four-hour lead-in time. If there are snarl-ups at the border, that will not happen. Honda takes 200 lorries. It is no wonder that the Japanese Prime Minister, Japanese companies and Japanese diplomats here in the UK are concerned, and we should be worried, too. The situation will affect our lamb, shellfish, cattle and many of our other exports, and chemical companies, such as BASF in my constituency, are well aware of that. Some people suggest that we should use ports such as Zeebrugge rather than Calais, but that would take longer to do the same thing. The UK is already laggard in productivity, so to take longer to do the same thing will make matters worse.

Why are we in this situation? The Prime Minister made contradictory promises. She said, "We will be out of the customs union and the single market," but she also said, "There will be no border in Ireland." Something had to give and, as we know now from the loss of the DUP's support, she reneged on those promises. She had to, because there was a catastrophe coming down the way. One of the funny things about the Brexiteers is that they all want Brexit, but they do not want it in March, because they know full well the damage that Brexit is about to do. While they want Brexit in their wild abstractions, they do not want it coming this March, because they know what Brexit will do. Brexit will be economically damaging to everybody in the United Kingdom and, as a result, it is a folly for us that we are stuck in the United Kingdom.

In this crazy fantasy, 96 years later, the Irish are delighted that they have left. For those who voted no in Scotland in 2014, there is an awakening going on, and that is without a campaign—incidentally, people can visit SNP.org/join if they want. People are seeing the two unions differently. One is a union of independent nations of Europe meeting as equals, and the UK now knows the muscle of independent Ireland and Varadkar, with 26 behind them in a regional trade agreement. Leaving that union is tearing up trade arrangements. By contrast, when Scotland leaves the United Kingdom, we will merely be completing devolution to move political powers from here to Edinburgh, closer to the people.

Had we left in 2014, this folly and nonsense of Brexit would not have happened. Brexit, in actual fact, overturns the will of the Scottish people. It does not respect Scotland or the result of the votes of the Scottish people. Brexit shows the epic misgovernance of England, so what chance is there for Scotland when England cannot govern itself well? The escaped Irish have belly laughs, and their biggest wind-up is to go on television at various points of crisis and tell the UK to stay calm. Back in Tipperary, Waterford and Galway they are laughing, because they know exactly what it means to tell London to stay calm. The UK has many problems, and they are of its own making. The UK has crashed the Rolls-Royce, and the Prime Minister is trying to tell us that the choice now is to go down the second-hand car shop to choose a second-hand car or a moped. It is an absolute mess.

David Schneider, the comedian, tweeted today that in 2016 the Brexiteers said ““Take back control! Make Parliament sovereign again!””, which he contrasted with Lord Digby Jones, who said on Twitter yesterday, “Beware the tyranny of Parliament!” As Laurel and Hardy said, what a fine mess they have got themselves into.

14:31:00

Sir Oliver Heald (North East Hertfordshire) (Con)

I pay tribute to the Prime Minister for her dedication, hard work and resilience in these extremely difficult negotiations with the EU.

I start by making it clear that I have always been a supporter of European co-operation. The EU has been an important economic expression of the western alliance. In the 1980s, when countries looked to the west for freedom and security, they were looking partly for important economic freedoms, which they saw as being represented by the EU.

I had no doubt when the referendum came that I should support staying in the EU. I was a founder member of ConservativesIN. I campaigned hard, and I said throughout that I would accept the national verdict, but I was as disappointed as my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) when we lost the referendum.

I will be voting for this agreement next Tuesday. I never thought I would do such a thing, but I will be voting for Brexit. It will be hard for me to do that, but I am compromising because I think I have to do so, given the vote of the people. I am a democrat, and this is something I just have to do, but it will not be easy.

My area relies on advanced integrated European manufacturing, and we have enormous businesses. For example, we have Johnson Matthey, a FTSE 100 company, in Royston. It is a world leader in catalysts and chemical technology, and it has 2,000 employees in Royston. The company is desperate that we should have an agreed deal, and the CEO has written to me this morning:

“Our business relies on just-in-time supply chains, closely aligned regulatory frameworks and access to scientific cooperation networks...any disruption will adversely affect the competitiveness of our business and...future innovation, trade and investment...an agreed ‘Deal’ is better than ‘No Deal’...It allows us to work with our customers and suppliers to maintain business and plan strategically for future trade scenarios.”

Johnson Matthey is not a company that took sides in the referendum. My hon. Friend the Member for Mid Bedfordshire (Ms Dorries) might like to know that the company is optimistic that we can build a globally competitive Britain post-Brexit, but the point it is making is that we must avoid the disruption of a no deal Brexit.

The Attorney General has done a marvellous job of explaining the legal position on the backstop to the House. He did it in an exemplary fashion while also defending client privilege and the Law Officers’ convention. It is true that the backstop arrangements are unsatisfactory, but the legal basis for it is a temporary one, and there is no question but that, if it comes to a point where negotiations have broken down, there are things that can be done—a joint conference and independent arbitration—to resolve the matter. As the Attorney General made clear, performance in good faith is a key concept of international law. For rule-of-law countries not to perform a treaty in good faith would be extremely damaging to their international reputation and standing.

Above that, permanent continuation of the backstop would be vulnerable to legal challenge in international law, on the basis that the treaty purpose had ended in that no agreement had been achieved, and could not be achieved. That would allow a challenge under article 62 of the Vienna convention of 1969, and under EU law because article 50 provides a legal basis for a temporary arrangement only, namely an orderly withdrawal. I am confident that the backstop could not last forever.

When the Attorney General was asked this question by my right hon. Friend the Member for New Forest East (Dr Lewis), he said that, no, it would not be permanent. He has to make a decision, as I do, on how to vote, and he said he would look at the legal risks and, having assessed them, he will vote with the Government, because he believes that the risks are such that it is still better to follow this agreement. I share that view. Overall, my judgment, like the Attorney General’s, is that we should support the Prime Minister in this.

Britain is a strong country, capable of weathering storms, but that does not mean we have to call down the heavens upon us. We must deliver a Brexit that brings out better weather, gives the UK the opportunity to put a spring in its step and puts the storm clouds behind us. It is time for a deal. It is time to compromise.

14:36:00

Dr Alan Whitehead (Southampton, Test) (Lab)

The Government projections that came out recently reveal that the proposals will probably impoverish the UK economy by about 3.9% over 15 years, removing some £100 billion from the economy. To those who say that the UK continues to grow, I would simply say that, if they systematically starve their children, they may well grow but they will end up much shorter than they might otherwise have been had they been fed properly.

That figure is significant in several ways. There was no hint of it in the referendum. The talk was of sunny uplands, of a Brexit dividend and of Britain booming through trade across the world. We now know that to have been a bare-faced lie. We know that the replacement of substantial elements

of our trade arrangements with the EU by bilateral world deals would replace only a fraction of what might be lost. It is not a manageable loss, as the Chancellor says when he tries to defend the deal. It is a serious and permanent shrinkage of the UK economy over a sustained period. Of course, not only is it a permanent shrinkage but it is a shrinkage of those parts of the economy that need the economy to work most. London may well survive the shrinkage, but other parts of the country will not do so well. Indeed, many of those places were attracted to Brexit because they thought it would be good for the country as a whole.

That all brings me to the central question. The analysis was published relatively recently, but the Government surely knew much of the content previously. A disastrous series of red lines informed the negotiating process. The eschewing of the single market, the avoidance of the customs union and a number of other starting prejudices shaped the negotiations and led to the pitiful outcome that has now been presented to us. They were conceived in the knowledge that what would transpire from those positions would impoverish the country to the extent that is now apparent.

That is what we have in front of us: a group of politicians who negotiated all along knowing their stance was wilfully leading to a national impoverishment, yet they persisted and kept up a pretence of it being otherwise while they proceeded to throw away the country's prospects and future in pursuit of a deal they thought could square away the arch-Brexiteers in their midst, who thought, even more catastrophically as it turns out, that salvation lay in crashing out of the EU in an uncoordinated way—and they still apparently think that, despite all the evidence now before us. That is just an unacceptable way of going about dealing with the future of our country. No one went to the polls knowingly willing to do grievous damage to our country's future economic welfare.

So here we are now, four months before the self-imposed timetable for exit is due to expire, with a half-cooked deal that will damage our country substantially. We all know now that it is not fit for purpose and will be roundly rejected by Parliament, and we are facing the need to pull something positive out of the wreckage into which this incompetent Government have plunged us. It is imperative that negotiations are restarted on the basis of known parameters that will not harm the UK economy. We know that the economy will be harmed if they continue to be ignored. I refer to membership of the customs union and close association with the single market—in other words, getting the best out of a disadvantageous situation rather than pouring petrol on the flames and making it worse.

Of course, the final rather obvious observation that goes with this is that an imperative first step in any plan to recover from this disaster is to put in for an extension to article 50 to enable meaningful negotiations to proceed. The fact that the Prime Minister keeps repeating that that is not going to happen just underlines how out of touch with the realities of the current position she appears to be.

Given what I have described, it is hard to see that anyone should have any confidence in the Government to conduct such future negotiations, and it would be preferable for someone else to do them. However, I know that is not the way things always happen, and it may well be that we will have a Government who have the “confidence” of the House but are practically unable to do anything: a zombie Government who are unable to respond properly to public concerns about the future of our country. If that is the outcome, it will be essential to test what the public think of all this. It will be evident that Parliament, for all its best endeavours, may not be able to resolve matters. That is where I think, in the end, a test might need to be effected: a half-baked non-deal against perhaps remaining in the EU and fighting for the changes that the country wants from the inside, rather than outside its structures.

Mr John Baron (Basildon and Billericay) (Con)

I speak to the amendment that stands in my name and those of my right hon. and hon. Friends. At times, although not so much in this debate, there has been a sadness of tone in these debates, but I wish to recognise how well the Prime Minister has handled herself during these testing times and commend her for that.

Part of the problem is the way we have approached these negotiations from the start. Some saw Brexit as a problem to be managed, but it should have been an opportunity to be seized. I believe that that opportunity is still there. We have the prospect of trade deals around the world, and we do prefer constructive trade deals to WTO terms—of course we do. We also have the opportunity of introducing an immigration system that no longer discriminates against the rest of the world outside Europe—we currently have to sign up to such a system as members of the EU. We could have a fair immigration system, roll back the ECJ and take control of our finances.

Those opportunities are still there, but the problem is that we have descended into the situation, partly because of an unnecessary general election, whereby we have encouraged EU intransigence. Concessions have been offered and they have been pocketed with nothing in return, and we now find ourselves, via this agreement, in the position that Mervyn King, the former Governor of the Bank of England, correctly described as sacrificing

“the benefits of remaining without obtaining the benefits of leaving.”

That is where we find ourselves at the moment.

The withdrawal agreement is in two parts—the transition period and the backstop. Let me make it clear that there are elements of the transition part that I find difficult to stomach. We know about the bits about the money and the ECJ, but, in essence, the transition period itself is like staying in the EU; it is a question of staying on for those extra 18 months while we try to negotiate a trade deal. It is a transition period—there is a definite end.

What I have a problem with is the backstop. We have to be clear that we have to be pragmatic; we are where we are. After 40 to 45 years of integration, one is not going to leap from imperfection to perfection in one bound—it will take a series of steps, so we have to be pragmatic. As a keen Brexiteer, I am prepared to swallow the transition period, because one hopes we will negotiate a free trade deal of some sort that will be mutually beneficial, and this is a transition period, with a definite end. I can stomach that, but what I find more difficult to stomach is a backstop in which we could be permanently entrapped, in suspended animation, being able to leave only at the behest of the EU. That is like entering a contract of employment that gives only the employer the right to terminate the contract. Nobody would enter that with their eyes wide open—it is completely wrong. During that period of suspended animation we would not be able to form trade deals, and the precious Union with Northern Ireland would be affected. Having served in the Province in the 1980s, I, too, have seen people die for that Union. That precious Union would be put at risk. Meanwhile we would be an EU taker.

We should take it with a pinch of salt when the Government say, “Ah, but it would be uncomfortable for the EU and therefore it would not be permanent.” Not only would it be uncomfortable for us as well, but the EU has a long track record of cutting its nose off to spite its face in order to achieve political objectives. So I do not buy the argument that we would automatically find ourselves out of the backstop because the EU would find it uncomfortable. Situations such as this make the alternatives more attractive.

In summary, my amendment would give the UK a unilateral right to exit the backstop. It does reflect reality and I hope that the Government will go a long way towards giving this issue of unilaterally getting out of the backstop serious consideration.

14:46:00

Hywel Williams (Arfon) (PC)

I have had many opportunities to comment on Brexit in respect of Wales, the UK and the implications for our European partners, so today I wish to outline some concerns I have as a constituency MP that lead me to say that I will oppose the Prime Minister's deal when I have the opportunity to vote on it.

Arfon is part of the West Wales and The Valleys region. We have a low GDP; it is on a par with that of Spain, Portugal and parts of former communist eastern Europe. As such, we receive EU cohesion funding and other European money, such as Interreg funding to promote links, for example, with Ireland. Agriculture is a significant part of the local economy and, again, it depends on some EU funding. The EU has had these regional and cohesion policies in place for many years, but there is much concern locally about the complete lack of detail as to the arrangements for the shared prosperity fund, which is going to replace the EU funding. That concern is sharpened further by an appreciation that time is very short. Bangor University and Ysbyty Gwynedd, the local district hospital, depend on having EU staff. Bangor University has also recruited many students of EU origin and has excellent EU research links. The university has received significant sums from EU sources.

Arfon also has a number of private sector employers who are headquartered in the EU27. Crucially for our own local economy, we have small exporting businesses, ranging from craft and music businesses to specialised exporters of live plants and a specialised steel forging company that produces equipment for the climbing world. It has already been considering what to do as a result of Brexit and is setting up a distribution centre, not in Llanberis in the heart of Snowdonia, but in the Netherlands—it is taking that step now.

EU employees at the university are worried about the potential future effects, both personally, and in respect of their work, careers and research interests. Terming them as “bargaining chips” and, outrageously, as “queue jumpers”, has only added to their worry and indeed their anger. Many EU staff came to the university because of particular aspects of their academic work in which Bangor excels. They worry that paths and possibilities will not be open to them in future.

We also have links with Ireland. Some time ago, I attended a scientific colloquium in Bangor and a member of staff from University College Cork said about Brexit: “The problem is, you see, Hywel, that the fish don't know where the international boundary lines are. Bloody stupid fish.” Only, I do not think he was referring to fish at all.

Like other parts of the NHS, Ysbyty Gwynedd has difficulty recruiting staff, and EU staff work there, too.

Arfon is one of the most intensely Welsh speaking areas of Wales, with around 70% of adults speaking Welsh and 85% of young people speaking Welsh because of bilingual education. The Welsh language has received financial support from EU sources. Furthermore, it is intangible but important that the normality of EU multilingualism, at not only official but societal and cultural levels, is a significant source of confidence for the future of the Welsh language. Many of us feel

Welsh and European as well, with nothing in the middle. Arfon is also a major centre of Welsh-language television production, with programmes produced not only by the BBC but, more significantly, by private sector producers that work closely with EU partners.

Those are just some of the real concerns about Arfon's future outside the EU. Those concerns are reflected strongly in local political results. In the 2015 general election, every seat in Wales swung to the UK Independence party, save for Arfon, which swung strongly to Plaid Cymru. In the referendum on exiting the EU, and like most Welsh constituencies with similar socioeconomic characteristics, Arfon voted strongly in favour of remaining, by a margin of 60 to 40.

There is much else I could say, but I have restricted myself to a few examples of why, on the basis of purely constituency matters, I will certainly oppose the Government's deal. Those constituency matters are strong enough in and of themselves for me to do that.

14:51:00

Sir David Evennett (Bexleyheath and Crayford) (Con)

I am pleased to be able to speak in this important debate on our withdrawal from the EU, and to contribute on the day on which we discuss the economic aspects—including the economy, jobs, opportunities, trade and business—that are so important to the future of our country. I praise the speech given by my right hon. Friend the Chancellor of the Exchequer, and all the work that he has done to help working people in this country in the past few years, particularly in his recent Budget, which was well received in my constituency. I am thinking particularly of things like the increase in the personal allowance, the measures on home ownership and the fuel duty freeze. My constituents are optimistic about and supportive of the Budget and believe that it will give us the basis for a great future outside the EU.

Bexleyheath and Crayford voted heavily for Brexit, with two thirds of people voting to leave. Brexit is a fantastic opportunity for our country, although the House would never believe it from listening to so many people on the Opposition Benches today. We have to embrace it to reap the benefits for years to come. We have the fifth largest economy in the world and great employment figures, and we are in a good economic state thanks to this Conservative Government. With an independent trade policy, Britain can reach markets around the world, opening up access to fast-growing markets, which will further strengthen our economy and the economies of our trading partners. We have to believe, we have to lead and we have to act. The British public want a Brexit deal done soon. They want an independent and global Britain that can take advantage of controlling its own destiny. We need to be upbeat and believe in ourselves: we are a great country with a great future. Let us be positive on this matter. We need to look beyond Europe to the developing world, the far east and other markets where there are trade deals to be done. We should therefore be upbeat, positive and enthusiastic about this country after we leave at the end of March.

I have to be definite: I do not want a no-deal Brexit. I do not think that would be good for our country, and we have to work hard to make sure that it does not happen. Nevertheless, the majority of my constituents feel that this particular withdrawal agreement contains some difficulties. A lot in it is good, but I am afraid that certain things are not. The political declaration is an interesting document and I welcome its content. We should be working towards having

“no tariffs, fees, charges or quantitative restrictions across all sectors”.

There are many good words in the document and good things that we believe in.

There are plenty of good points, but I have one area of concern. It has been raised everywhere in the debates this week, some of which I have sat through, and it is, of course, the backstop. It is a real problem. We want a deal that gets us out and we want to have good relations with Europe, because Europe is home to our neighbours and trading partners. We want to do business with them, but we do not want to be their prisoner before we can make the trade deals that we need with the countries of the world. Let me use the example that I used in a meeting with the Prime Minister. If I am buying a house, I want a completion date. I do not want to give over the money—in this case, the £39 billion, although my house would not be worth that much because in Bexleyheath and Crayford we do not have those kinds of properties—without an end date. We want a completion date, so I am really concerned about the backstop.

I listened to the Attorney General on Monday and his exposition was very good, but he did leave me with some questions. I am concerned that Northern Ireland would be treated differently from the rest of the country. It is not acceptable to separate one country that is part of our United Kingdom. Negotiation requires compromise, but for me the backstop is a step too far and leaves uncertainty as the central feature of our negotiations and the conclusion of our exit from the EU.

Let me conclude with this thought. Will the withdrawal agreement allow Britain to take control of its laws, its money and its borders? If not, there is something wrong with it. If it does, we should support it. However, if the backstop is not looked at and dealt with, and if there is no end date, the deal is flawed. I urge my right hon. and hon. Friends on the Front Bench to look again at the agreement to make sure that our United Kingdom remains united and that there are no differences for different parts of this country when we leave the EU.

14:56:00

Mr Clive Betts (Sheffield South East) (Lab)

In the referendum, Sheffield voted 51% to 49% to leave. My constituency voted two to one to leave. Like the country, the city was split, with the more affluent western parts voting to remain and the poorer eastern part voting to leave. Whatever happens with this deal and the vote on it, we have to understand the reasons that led many of the poorest parts of the country to vote to leave. People feel left behind, disadvantaged, and that the burden of austerity has been placed on them unduly. That is the truth of the matter, and we have to recognise that. As I said to the shadow Chancellor, my right hon. Friend the Member for Hayes and Harlington (John McDonnell)—and I think he agreed—we need a major programme of economic and social reconstruction to help these areas.

We also need to understand the issue of migration, which affected many people in these areas. It is not good enough simply to dismiss the concerns and fears that people had as racism. We should recognise that migration from eastern Europe had real impacts on communities, which got very little help to deal with it—in fact, they got no help at all from the Government. We also have to recognise the feeling that people come over here and claim benefits, having paid nothing into the system. We did not use the 90-day rule in the way that countries such as Belgium did to prevent that from happening. It could have removed many of the concerns, or more appropriately dealt with them.

I think back to Sheffield in the 1970s and 1980s, when we lost 45,000 jobs in steel and engineering in the Don Valley alone. Now, with the advanced manufacturing research centre, we have Rolls-Royce coming in, and Boeing and McLaren, and, building on the companies that are left, such as Forgemasters and Outokumpu, we have created new, high-tech, advanced jobs. I will not vote for any deal that puts those at risk. That is the fundamental issue for me to consider in deciding whether to vote for this or any other deal.

Some 56% of Sheffield exports go to the EU. That is higher than the national average. I have had a lot of advice, as I am sure all hon. Members have, from constituents telling me how to vote. Interestingly, very few people have written to me saying, "Vote for this deal". The Prime Minister has managed to unite leavers and remainers against her deal. I have, however, had one letter, from Tinsley Bridge, an important exporter in my constituency, saying, "Please vote for the deal", not because it thinks it is a particularly good deal, but because it worries that the alternative is a no-deal, which would put its just-in-time business at risk. I say to Tinsley Bridge and other businesses that we are not going to have a no-deal; that is not a good reason for voting for the bad deal that the Government are putting forward.

In the end, businesses are concerned about uncertainty, and the Government's deal is all about uncertainty. It perpetuates uncertainty. Everything is postponed until 2020, at the earliest, and almost certainly until later, and the chances of getting a good deal then will be lessened because we will have given away all our bargaining power. The EU can keep us in the backstop until it chooses to let us go. We will have no bargaining power whatsoever. According to an article in the Financial Times, the path to an independent trade policy

"is one of the most ambiguous and contradictory parts of the political declaration."

This is an uncertain deal, an unclear deal and a contradictory deal. I cannot vote for no deal, because that is the greatest risk to jobs in my constituency, but I cannot vote for an inadequate deal either. I want a deal that keeps us in a customs union and closely tied to the single market. If we cannot get a deal that protects jobs in my constituency and preserves living standards, environmental protections, health and safety protections and workers' rights—or rather if we cannot get a change of Government to secure that deal, since no one can trust this Government any more to secure a deal in the interests of the British people—I will, at that point, be prepared to consider voting for a second referendum, so that the British people, knowing clearly what they are voting for, can choose between clear-cut options. If we have to do that, it should be seen as an enhancement of the democratic process, not a negation of it.

15:01:00

Mr David Jones (Clwyd West) (Con)

It is a huge privilege to be called to contribute to what I believe is the most significant debate to be held in this Chamber for approaching half a century. The decision we come to on its conclusion will determine nothing less than whether the United Kingdom takes its place in the world as a free and independent country once again, or whether it becomes the fragmented client of a foreign power and subject to the jurisdiction of a foreign court.

I was an enthusiastic campaigner for a leave vote in the 2016 referendum. It was clear to me then, and it is clear to me now, that at least in the part of the world that I represent there is strong support for the United Kingdom to leave the European Union. The referendum was decisive. The House has a mandate from the British people—indeed, an absolute duty—to restore British sovereignty. The way to do that is set out in article 50 of the treaty on the European Union. It shows the way. It provides that any member state wishing to leave must give notice of its desire and that at the end of a maximum period of two years the European treaties cease to apply to it.

Ceasing to be part of the EU means, essentially, ceasing to be part of the arrangements established under the European treaties, which means ceasing to be part of the single market and the customs union and, most importantly, ceasing to be subject to the jurisdiction of the European Court of

Justice, the institution in which the sovereignty of the EU resides. The Prime Minister acknowledged that in her excellent speech at Lancaster House last year. In that speech, she specifically rejected partial or associate membership of the EU or anything that left us “half in, half out”, as she put it. She said:

“We will not have truly left the European Union if we are not in control of our own laws.”

That speech demonstrated a perfect understanding of what it was to be part of the EU and how we should leave, but the withdrawal agreement is so utterly different from what was envisaged by the Prime Minister at Lancaster House that it is with great sadness that I must say that I cannot support it. As many other right hon. and hon. Members have set out, the key problem is of course the backstop. It is ostensibly designed to ensure that there is no hard border in Northern Ireland, but the reality as far as the United Kingdom is concerned is that we are at huge risk of remaining confined in the customs union indefinitely and consequently unable to conclude our own free trade agreements with third countries around the world. That deeply disturbing state of affairs will continue until it is replaced by an undefined political agreement, an agreement that may well never be concluded, in which case we remain in the backstop.

As it stands the withdrawal agreement is hugely beneficial to the European Union. It preserves tariff-free access to the fifth largest economy in the world. It enables the EU to deploy the strength of the UK economy in any treaties it may wish to conclude with third countries. I have therefore no doubt that, contrary to what we have heard earlier from other hon. Members, there is every incentive for the European Union to keep the United Kingdom in the backstop. In other words, we would remain locked into this arrangement at the pleasure of the European Union. We would effectively become a client state of the European Union and our freedom to depart would be impossible. Furthermore, the agreement establishes a state of affairs under which an integral part of our sovereign territory, Northern Ireland, effectively becomes a colony of the European Union, subject in large measure to the single market and the customs union and ECJ jurisdiction, and legally semi-detached from the rest of this country. As a Unionist, I cannot support that happening to Northern Ireland any more than I could support it happening to the Isle of Wight, the Isle of Skye or the Isle of Anglesey.

This is a thoroughly bad deal. There are many aspects of concern in it, not least the £39 billion, which we would, for some reason, be paying for this false Brexit, but the single biggest objection must be that it robs the United Kingdom of its sovereignty, of its freedom of self-determination and, potentially, of a large and important part of its territory contrary to the wishes of its people. For that reason, with a heavy heart, and recognising the efforts of the Prime Minister, I am afraid to say that I cannot support the agreement and I shall be voting against it on Tuesday.

15:06:00

Mr Alistair Carmichael (Orkney and Shetland) (LD)

I am grateful to you, Mr Speaker, for the opportunity to take part in this debate, which, as others have already observed, is likely to be one of the most important—or the most important—that we will ever know in our parliamentary lives.

In Orkney and Shetland, we voted to remain in the European Union in June 2016. In Orkney, the vote to remain was 63.2% and in Shetland it was 56.5%. I reflect, however, that it has not always been thus. In 1976, when very nearly the entire country voted to enter the European Economic Community as it then was, only Shetland and the Western Isles voted not to. In Shetland, the vote

then was in the region of 56.3%. It is worth reflecting on what has happened in the succeeding 40-odd years that has brought about this change.

For communities such as ours, there have been some significant downsides to EU membership. The operation of the common fisheries policy has been one of the most obvious—I will touch on that later on—but there have been other aspects. The operation of state aid rules has often left me perplexed and baffled, but for communities such as ours—communities with small populations far from the centres of power and the larger centres of population—membership of the European Union has been a positive. It has given us opportunities to grow and to keep up in circumstances where we might otherwise have expected to fall behind. Opportunities have been given to us through the availability of structural funds, the guaranteed money that could come to communities such as ours to be invested in our roads, our piers and our airports. I suspect that if we were waiting for the Treasury, or even for Edinburgh, to fund those projects, we would still be waiting today. The existence of a guaranteed system of agricultural support payments has allowed our farmers and crofters to continue to farm the land and to keep the land in the way that we know and value. It worries me that beyond the guarantee of those farm payments up to 2022, there is still no clear indication of how this will work in the future.

Access to the single market has been good for us; it has allowed us to grow new industries in the past 40 years. Forty years ago, there simply was not the aquaculture industry of farmed salmon and mussels that we now know. That market was not available in the real-time basis on which my constituents can now sell into it. Our tourism has blossomed and grown in these years, and in more recent years that has seen a bigger reliance on the workforce coming from other parts of the European Union. An awful lot has changed in the world since 1976.

I was struck by the contribution of the right hon. Member for Mid Sussex (Sir Nicholas Soames), who is here as the grandson of a Prime Minister and the great-grandson of a Member of Parliament. No one in my family has ever served in this House before; we have all been hill farmers and crofters. I am here because I am part of a generation that had opportunities that were not given to my parents, just as my parents had opportunities that their parents had not been given. It grieves me beyond measure that I now risk handing on to my children a country and a world in which they will not have the opportunities that we have had.

Yes, we know about the slow and reluctant pace of reform, the bureaucracy and the over-centralisation. But although I often criticise the CFP, I would not have believed it possible that we would find a worse system than we will have when we leave the European Union in March next year, when we will leave our fishermen and our fishing fleet bound by its rules without having any say in how they are made. That surely has to be the worst of all possible worlds, and it is a bitter regret to me that the right hon. Member for Haltemprice and Howden (Mr Davis) would not take my intervention, because he owes my fishermen an explanation why he thought that was a necessary step to take.

We are a divided country; that is beyond measure. Those who resist the idea of putting this deal to a vote of the people seem to think that somehow we are not. The only possible way that we can hope to heal these divisions is by putting this matter to a vote of the people.

15:11:00

Antoinette Sandbach (Eddisbury) (Con)

It is a pleasure to follow the right hon. Member for Orkney and Shetland (Mr Carmichael), who was right to speak about the opportunities that generations in this country have had, provided in part by freedom of movement and the ability to travel and work in countries across Europe.

We are being asked to consider one of the most important decisions in our post-war history, and there are no good choices. At the time of the referendum, I voted to remain as I took, and still hold, the view that we could not get a better deal than the one we already had with the EU. However, we held the referendum and I made a pledge to implement the result, and to do so responsibly. That is why I voted for article 50 and the EU withdrawal Act, despite my misgivings. This is not a perfect deal, but it does deliver the referendum result. I therefore feel honour-bound to vote for it, as I believe that it delivers that result in a responsible way.

This deal delivers in a number of areas. It gives the UK tariff-free, quota-free access to EU markets, while ensuring that we are out of free movement and have control of our agriculture and fisheries. More importantly, it keeps us out of ever-closer union. Does this deal live up to the promises made in the referendum? No—nothing could. We were promised that Brexit would be easy, that we would have the exact same benefits outside the EU as before and that we held all the cards in the upcoming negotiations. Those who promised sunlit uplands now criticise a deal that requires compromise. To choose WTO terms over this deal, about which I do have some concerns, would be an act of the utmost irresponsibility, for which the British public would rightly punish us.

For the past two years, I have been a member of the Business, Energy and Industrial Strategy Committee. Over many weeks and months, I have heard evidence about the impact of Brexit. Like everyone, I am certainly better informed now than I was in 2016, and an email from one of my constituents—I will call him Mr D—reflects much of the evidence that I have heard. He said that since the vote to leave,

“our business has endured significant hardship. Not all of this can be directly attributed to Brexit but the deterioration in sterling has impacted costs and economic uncertainty has made long term investment decisions next to impossible... The forthcoming vote in parliament provides our country with an opportunity to bring about a little more certainty and stability.”

He claimed that while those who think the Prime Minister’s proposal is not ideal may be right,

“as the person most heavily involved in the negotiation—a negotiation that leading Brexiteers ran away from after the vote—she is well placed to judge whether it is the best we can get. Certainly EU leaders are unanimous in that view.”

He goes on to say that whatever deal is put in front of Parliament, one faction or another will be dissatisfied and that the notion that we can leave a club and no longer pay its subscriptions, yet pick and choose which services to continue to enjoy is frankly delusional. We are not in a position to select from a menu of membership benefits to suit our needs—we are leaving.

Mr D continues:

“When people find that the prices of goods and services rise sharply, and when they find that food starts to run short—I work in the grocery supply chain—and when they find that they are losing their jobs, they will judge you, and I doubt they will forgive you.”

That reflects the evidence I have heard from countless businesses who have come before the Business, Energy and Industrial Strategy Committee. Those businesses provide jobs and

employment to my constituents, and they speak with one voice when they ask us to vote for this deal. My right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) spoke about the need to come together, compromise and work towards an outcome that delivers for our country. It may not be perfect, but it is a good deal.

15:16:00

Janet Daby (Lewisham East) (Lab)

I stand today to discuss the economic aspects of this deal, but the fact is that too much is still uncertain. We know, however, that the Government's own economic analysis illustrates that the deal will make our country poorer, and with GDP falling by around 3.9%—£100 billion in real terms—every region of the UK will be worse off. I note with enormous disappointment that the Prime Minister has dropped achieving frictionless trade as a priority, and it seems there will be barriers to trading goods. For the service sector, the political declaration states that market access will be limited, and in areas such as financial services, it offers no firm mechanism to protect the industry.

Like many in this Chamber, I was devastated when I realised that more areas had voted to leave the EU, but it soon became apparent that no one really knew what it meant and how it would affect all regions and nations of the UK. In that respect, the referendum lacked clarity as the precise effects of leaving have only recently become clear.

There is much speculation about why our nation voted the way it did and what that meant, and like my hon. Friend the Member for Sheffield South East (Mr Betts), I think that we must consider why people voted in such a way. Lost in the division and debate of the past two years is any analysis of why people voted the way they did and why it varied and was so different in many parts of our country. It is clear, however, that poverty and an ongoing lack of opportunity played a part.

A report by the Joseph Rowntree Foundation revealed that poverty levels are high and affect 14 million people, including 4.1 million children—a shocking statistic. The recession and long and hard-hitting austerity have seen many people made redundant. People have been forced to take on zero-hours contracts, and some may have two or three jobs but still live in poverty. Food and fuel prices have risen, and wages have fallen behind the standard cost of living. There has been a sharp spike in private rental accommodation, in which people often live in unbearable conditions. Property in certain parts of the country has become unattainable, and social housing waiting lists are forever growing longer. People, especially in London, are being placed in B&Bs and temporary accommodation, often too far away when it comes to taking their children to school, going to their place of work or caring for their loved ones.

There has been an increase in the threat of terrorism and the prison population, and the ability to attain higher education has moved further away from some people and their families. The rise in food bank provision makes people feel like they have failed in life, when really it is the Government who need to be held to account.

The leave campaign focused on a contentious message of blame culture: “Let's blame others—immigrants.” They used them as a scapegoat when the nation's sense of dissatisfaction should have lain at the Government's doorstep. It is successive Governments who are failing to create jobs, to correct the benefits system, to provide education bursaries, to regulate rents in the private sector and to build more social homes. They are failing to root out racism and discrimination in our society, to promote gender equality by giving pensions to WASPI women, to invest more in education, including higher education, and to invest in our public services.

Many of my constituents are proud to be called Europeans: 70% in the borough of Lewisham voted to remain. A deal is an agreement, but this deal has not been ratified by our country. What is the only way to regain a mandate on a clear way forward? I have faith in Members of this House, but the gravity of this decision is too much for us alone.

If the Prime Minister is confident with her proposed negotiations, she should be confident enough to bring them before the electorate. Under the circumstances, it is only right that the people are given some say over what happens next.

This is not about frustrating Brexit; it is about allowing people to make an informed decision across the country about a known quantity. Before the Prime Minister sets her Brexit boat sailing, she needs to consider the weather and the course of the journey. It will be too late to turn back if the weather gets tough. I could not vote for anything that will make our country poorer.

15:21:00

Sir Christopher Chope (Christchurch) (Con)

It is a pleasure to follow the hon. Member for Lewisham East (Janet Daby). From my experience as a divorce lawyer before I came to this House, I can say that no divorce ever results in parties being better off financially immediately afterwards. That is the reality of the situation we are going to be in as we divorce ourselves from the European Union.

There has been a compelling analysis during this debate from my right hon. Friends the Members for Haltemprice and Howden (Mr Davis) and for Clwyd West (Mr Jones). I wish to associate myself with that analysis. During the past two years, it has been a privilege to serve on the Select Committee on Exiting the European Union. As you will know, Mr Speaker, that is one of the largest Select Committees and contains representatives of five different parties in this House. I can say that the membership of that Committee is overwhelmingly against this deal.

The feeling also applies in my constituency, where the deal is anathema. Tom Blyth, who runs the Christchurch Conservative political forum, has succinctly described the problem. He says that his membership is dispirited by the

“Government’s deceitful, cowardly, supine capitulation to EU bullying in a senseless obsessive pursuit of a Withdrawal Agreement that betrays the Nation”.

That is the message from my constituency and my Conservative association membership, in case anybody was in any doubt about that.

In preparing for the deal, the EU has clearly taken inspiration from the plant kingdom. In its negotiating strategy, it has looked to the Venus flytrap, which uses nectar to get its victims inside, from where they cannot get out. That is exactly the model that the EU has drawn up for us in the Northern Ireland protocol. My right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) was interpreting the Attorney General’s statement as suggesting that there might be a way out of that protocol, but that is not what is said in the actual text of the Government’s legal advice, which we have now seen. So let us not be seduced into thinking that somehow the EU is on our side and will eventually let us out of this protocol. The EU will let us out of the backstop only if we agree to further demands that it places on us.

On page 36 of the 2017 Conservative party manifesto, it says:

“We believe it is necessary to agree the terms of our future partnership alongside our withdrawal, reaching agreement on both within the two years allowed by Article 50.”

Obviously, that has not happened. Why have we reneged on that promise, given that not doing so would have ensured that we would not be parting with £39 billion of taxpayers’ money without a guarantee of a good future trading relationship? As the EU is desperate for our money, why has the United Kingdom unilaterally thrown away its strongest negotiating card and, in so doing, also gone back on the Prime Minister’s oft-repeated promise that nothing is agreed until everything is agreed?

The Government are now intent on also throwing away our second-best negotiating card—that no deal is better than a bad deal. The 2017 Conservative party manifesto asserted:

“we continue to believe that no deal is better than a bad deal for the UK.”

The Prime Minister set out in her Lancaster House speech the reasons why she believed that and the benefits that would come from having a no-deal solution. It is extraordinary that she now seems to have reneged on what she was saying then—that no deal would deliver us the opportunity to trade globally and enable us to attract overseas investment into our country. Why has she gone back on all those agreements and left us in a situation now where we have no option but to vote against this withdrawal agreement?

15:26:00

John Mc Nally (Falkirk) (SNP)

I would like to focus my comments on the practicalities of transporting and storing products and goods.

No one could disagree that the more we have learned about Brexit in the past couple of years, the more complicated leaving the EU has become. Falkirk voted remain. The real issues that will impact on my communities have become self-evident. This country is clearly unprepared to leave the EU, whether one was a remainer or a leaver. In other words, fail to prepare; prepare to fail. The Government are responsible for this confusion and uncertainty, and no one else: not the EU; not even the people who voted to leave. I do not believe that the Government or the people who voted to leave were fully informed or aware of what we were all letting ourselves in for. But the impact, as usual, will end up with the poorest in society, once again paying for the mistakes of the wealthiest in society.

I have had correspondence from many businesses in Falkirk, Scotland and the UK, particularly from a business that supplies food to millions across the UK. It has highlighted an absolutely critical issue—that the cold storage facilities it uses for its products are at capacity and there is no space left. The products in that cold storage system will certainly include perishable goods such as those of, as we heard earlier, the highly successful Scottish shellfish industry, which supplies all the major capitals of Europe with the highest-quality langoustines, mussels and so on, as well as the soft fruit industry, which is being hit from all sides. What will happen if these goods do not make it to market? The producers simply will not get paid. They will have to pay for the discards—and no doubt, in turn, their insurance premiums will absolutely rocket.

These storage facilities are used for goods and products in many other industries, such as the pharmaceutical industry. In business questions this morning, my hon. Friend the Member for Central Ayrshire (Dr Whitford) expressed her concerns about vaccines. There will also be the

storing of chemicals. The just-in-time trading system using these cold storage facilities will indeed run out of time. The system is creaking at the moment, and it simply will not be able to cope with the strains demanded of it. That concern of my local business in Falkirk is echoed across the UK.

There have been so many unfounded assumptions—for example, about how this Government would tell the EU the UK's terms of business. That assumption has sailed down the Forth. The chemical industry, which is one of the UK's biggest industries, has legitimate concerns. It has huge responsibilities and safety issues. Some examples of the difficulties faced by the chemical industry were given to the Environmental Audit Committee, on which I sit. We received evidence from a variety of stakeholders for our inquiry, and one of the principal conclusions about the impact of leaving the EU was that it would be difficult to transpose into UK law the chemicals regulation framework established by the EU through REACH. Companies face significant uncertainty over the validity of current REACH registrations after the UK leaves the EU. The Chemical Industries Association and the Chemical Business Association indicate that a sizeable proportion of their members are already considering moving or have moved out of the country.

For the coatings and paint industry—a just-in-time industry—any border delays make industry less competitive. Delivery to a car plant incurs a penalty of £800 per hour if the line stops, but of course the biggest penalty is that business will simply go elsewhere.

In September, the National Audit Office reported that the Department for Environment, Food and Rural Affairs was still to present its business case for the UK's new chemical regulation regime to the Treasury because it did not have detailed cost estimates. How on earth can DEFRA have a database comparable to the European Chemicals Agency's on day one of Brexit?

How prepared are the businesses running the UK's utilities? Some ports have not gained the authorised economic operator accreditation, which is recognised by all international trade authorities, including the EU. Forth Ports in Scotland, which owns Tilbury docks, has that accreditation, but I believe that other major ports do not. It took years to make REACH the recognised gold standard worldwide in the chemical industry. That will be broken. We could put Humpty Dumpty back together again easier than this mess of a so-called plan.

For too long, Scotland has been overlooked in these discussions by the Prime Minister and the Government. It is almost as if they think that ignoring Scotland will make it go away. Scotland will not be ignored, but I certainly hope we are going away.

15:31:00

Tom Tugendhat (Tonbridge and Malling) (Con)

I am grateful for the opportunity to speak in this important debate. I pay tribute to the hon. Member for Falkirk (John Mc Nally) for his dulcet tones and helping us get through the afternoon.

We find ourselves here because of a series of events. We must remember that the day after the referendum, the campaigns disappeared. When we got to the leadership competition, many of the competitors disappeared. When we got to the election, sadly many of our seats disappeared, and we found ourselves without a majority. Despite that, we have a Prime Minister who, thank God, has shown fortitude, devotion and duty, when so many others have, sadly, disappeared.

I have plenty of criticism to make of the way these negotiations have been conducted, and I am sure I am not alone in doing so. I think we started the wrong way round. Rather than negotiating our way down, as it were, from our existing membership, we should have admitted the truth, which is that

we have left the European Union—we left when the votes came in—and we should be negotiating our way up towards the relationship we want to see in the long term. Sadly, that is not what happened.

We find ourselves now looking towards a transition. After 45 years' membership—about the same time that Elizabeth I was on the throne or the German empire existed—it is hardly surprising that the transition to a new relationship is important. We must use this opportunity to focus on not only what the interim stage looks like, but what the future looks like. That is why I would welcome much more effort going into the future agreement. It is true that the political declaration sets out some aspects of interest, and the backstop supposedly is used as a building block, but we need to see much more than either of those.

So what are we looking at today? We are looking at a stage. We are looking at—let us be frank—the only deal on the table. We are looking at a temporary, imperfect compromise, and an uncomfortable one at that—one that, were we to ever enter the backstop, splits the four freedoms of goods, capital, services and people.

The option we have is pretty simple. It is threefold: either we agree with this compromise; or we push for a second referendum, which I think is a terrible idea, as it will simply lead to more uncertainty and more indecision; or we walk away. As I represent a community—I am blessed to represent one of the most beautiful communities in the country—that, sadly, is surrounded by motorways entirely reliant on the port of Dover, there is a danger for us that those motorways will become parking lots, as many hon. Members will have heard me say when I raised this with the Transport Secretary. I am afraid that I cannot go for the referendum and I cannot go for walking away, so I am left really with only one choice. I do not say this with any joy. However, it is not our role to shirk responsibility or to avoid decisions; it is our role to take decisions. When I have excluded the impossible, I am left with only one—and that I have to say with a very heavy heart.

The backstop is not, however, as final as many have said, and here I quote from Policy Exchange's work by Professor Verdirame, Sir Stephen Laws and Professor Ekins, about what the best endeavours obligation in the withdrawal agreement puts on the EU. They say:

“EU conduct in breach of such an obligation and indefinitely prolonging the application of the Protocol could thus amount to a material breach of the Withdrawal Agreement and the Protocol. Faced with this situation, the UK would be entitled to invoke this material breach as a ground for the suspension or termination of the Withdrawal Agreement and the Protocol.”

So there is a legal way out, and the legal way out is if the EU does not negotiate with best intent. I am confident that it will, because this is as bad for the EU as it is for us, though, frankly, it is not good for anyone.

I will end simply with a word about the referendum. It was legitimate. It did not go my way, but democracies do not always reflect the way we choose. When we get through this period, the next few years of this country's history will be truly glorious. We are on the cusp of massive investment. We have companies sitting on cash and ready to throw it into the economy. We have a huge opportunity before us, and I look forward to our grasping it.

15:36:00

Marsha De Cordova (Battersea) (Lab)

As someone who passionately campaigned for and voted to remain in the 2016 referendum, I have watched for two years with growing alarm at the Government's shambolic, reckless and irresponsible approach to the Brexit negotiations. In those two years, we have seen the leave campaign promises denied. We have seen dozens of Ministers quit and two Brexit Secretaries come and go. We have seen a Government who have spent more time negotiating with themselves than they have with the European Union. We have seen them avoid scrutiny, evade transparency and duck responsibility, and just this week we have seen how the Government have treated Parliament with contempt. No one can deny that this Government's handling of Brexit has been a mess, with a miserable, failed deal from a miserable, failing Government.

I have received literally thousands of emails, postcards, letters and surgery visits from constituents in Battersea who share this view. They are fearful that this Government are asking Parliament to vote for a withdrawal agreement and political declaration that will not protect jobs, rights or the economy. They are alarmed that the Government are asking this House to vote for a deal that their own analysis shows will make us poorer, with GDP falling by 3.9% and every region being made worse off. For our economy, it is clearly a bad deal, and a worse deal than what we already have.

My constituents know that the Government are asking us to vote for a political declaration, supposedly the product of a two-year negotiation, that offers empty promises and lacks legal standing. However, where the political declaration is clear, my constituents know that it will not work in their interests. The aim of frictionless trade has been abandoned, which will hurt our manufacturing industry. It fails to protect workers' rights or environmental protections, and instead opens the door to the UK lagging behind as EU rights and standards develop. My constituents are concerned that it will allow a future Conservative Government to strip away hard-won EU rights and protections, such as TUPE, equal rights for agency workers and paid holidays.

Along with the rest of the constituency, the 12,000 EU citizens living in Battersea are concerned that we are being asked to vote for a withdrawal agreement that still leaves open important questions about citizens' rights, particularly on the evidence required for residency rights to be guaranteed. That is particularly troubling when we are being asked to vote without the promised publication of the immigration White Paper, and when the Government have such a shameful record of protecting citizens' rights, as demonstrated by the Windrush scandal. I know that small businesses in Battersea are deeply concerned. The Government's shambolic negotiations have already caused damaging uncertainty. This deal, which leaves so many questions unresolved, only adds to it.

Disabled people, too, will be forced to bear the brunt of the Conservative's botched Brexit. It will be another attack on our rights by the Government, a Government already found guilty of "grave and systematic" violations of disabled people's rights according to the UN. The EU charter for fundamental rights, which includes protections against discrimination, was excluded from the European Union (Withdrawal) Act 2018. We will lose the potential of the proposed European accessibility Act, which contains EU directives that have not been transposed into UK law. That means requirements on the accessibility of goods and services for disabled people will not be guaranteed. We will lose the European social fund, which is currently investing £4.3 billion across the UK until 2020. Whether that funding will be matched is still not guaranteed.

Simon Hoare

Will the hon. Lady give way?

Marsha De Cordova

No.

Across all these areas, from workers' rights to environmental standards, economic growth to disabled people's rights, the Government's deal will make the great majority of us worse off. That is the grave danger of their botched deal. This is not what the country voted for in 2016. It is certainly not what Battersea voted for and it offers no hope of bringing the country together. Members from across the House know this, so the Government should stop this charade. Their time is up. They are in office, but not in power. The people of Battersea need a Government who work for them. They need their rights to be protected, they need investment in the community, and business needs certainty. We need to put this Brexit shambles behind us and that is why I will be voting against the deal.

15:42:00

Johnny Mercer (Plymouth, Moor View) (Con)

I rise to speak on Brexit for the first time ever in this House. I have never spoken about Brexit before. I have avoided like subject like the plague. It has brought out, I am afraid to say, a side in a lot of my friends and colleagues, who I love dearly, that I have not particularly enjoyed. I am forced to have a view today and I will be honest.

I have always been ambivalent about our exit from or membership of the European Union. I know that frustrates others. I respect those who hold passionate views on both sides of the argument, but for me it has always been an issue—it is not the issue of a modern Conservative party. This situation we are now in represents a total failure of the political class in this country. I completely understand the views and regret of many Members in this House, but we have to see it for the opportunity it is. Not to do so would be not to understand the referendum result. That result shook this country to its core. I voted remain, but I liked that. I came here because I could not watch my country have her politics dominated by a political class out of touch with the nation they governed. I liked the shockwave that was sent through the establishment, but more than that I was hoping for change.

This deal indicates what I have long feared: that too many in Government have failed to grasp why people voted to leave the European Union in the first place, and the opportunities for a brighter future that that vote represented. Was it about Europe? Of course it was. But it was about so much more than that. The vote to leave was in no small part a *cri de coeur* from millions of people who feel that the powers that be in Westminster no longer know, let alone care, what it feels like to walk in their shoes. Poorer and less-well educated voters were more likely to back leave. The majority of those not in work backed leave. Those living in council housing and social housing tenants mostly backed leave. Those dependent on a state pension largely backed leave. At every level, there was a direct correlation between household income and the likelihood to vote for leaving the EU. That is what makes what happens now even more important. The referendum result was a nation throwing a leash back around its Government. What people wanted was a Government who said what they meant and meant what they said. Yes, it was about taking back control—but it was about the country taking back control of its Government.

That, right there, is my issue with the deal. I know courage and resolve when I see it and on Tuesday evening, when the Prime Minister rose to open this debate after losing three votes on the bounce, she demonstrated why she personally still holds the affections of many of us here. But what followed, and, in fact, what preceded her in the motion that was passed, showed me that in some ways, we still do not get it. The establishment is too loud, too boorish and too condescending, and it really worries me. To force this deal through—crossing our own red lines and our manifesto that we stood on, but particularly critically for me, threatening the Union of this United Kingdom—would

speaking to a democratic deficit that I have always spoken about, and if I am to retain my integrity, I must now oppose.

This country is in troubling times. The divisions, hatred, unreasonableness and the fundamentally un-British unpleasantness of man to fellow man have to end. If I thought that this deal was going to do that, I would be the first through the Lobby. I want nothing more than simply to be part of an extraordinary team on the Government side achieving extraordinary things and making a modern, compassionate Conservative party that is fit to meet the challenges of a modern Britain, but this is not it. Unfortunately, this deal is not it. The British people know that and we must now be very careful.

I say to the Prime Minister that we must try again. I do not want no deal, and I believe that a second referendum—although I respect those who hold such views—would open up divisions in this country that frankly, me and a lot of people in this country are sick of. However, I cannot accept an agreement that makes the UK a junior partner in an international relationship that it cannot unilaterally leave, because that misses the point of why people voted for Brexit in the first place.

We can do this. I travel thousands of miles up and down this country, and there is a huge conservative heart out there in this nation looking to be represented by a modern Conservative party here at Westminster. We get there by remembering our values and why people vote for us—it is because they feel like they have control. The backstop is not that. We believe in the fundamental goodness of this nation. This is a seminal moment and we must be extremely careful to get it right.

15:46:00

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op)

The city of Liverpool has been hit hard by austerity since 2010, with massive cuts in central Government funding hitting Liverpool City Council and its services and hitting the police service and the fire service, while benefit changes have hit the poorest hardest. Liverpool has also benefited enormously from membership of the European Union. Merseyside had Objective 1 status, which helped to bring significant investment to our communities. It is an outward-looking city, reflected in the heavy vote across the city two years ago to remain in the European Union—58% to 42%.

However, the divisions that we have discussed today nationally were reflected locally. My constituency saw a much narrower vote—the vote was not conducted by constituency, but my estimate is that it was probably about 52% remain and 48% leave. As we have heard rightly from both sides in this debate, some of the communities that have been hit hardest by poverty and austerity are those that had the highest leave votes. That was certainly the case in my constituency and that reflected many concerns—some about immigration and others about a sense of being left behind.

Those divisions clearly continue. They are reflected in my inbox, as I am sure they are in those of other Members. I have had constituents urging me in the last three weeks to vote for no deal because that would be better than this deal. Some want a people's vote. Some people are coming to see me to support the deal, but a very clear majority view from my constituents is that we should reject this deal because it is bad for jobs, bad for rights and bad for living standards.

I voted remain and I campaigned hard for remain in my constituency, elsewhere in Liverpool, and in other parts of the north-west, but I accepted the result despite my great personal sense of disappointment. I voted in favour of triggering article 50 and I really wanted to see a serious

negotiation to deliver on the referendum. I agree very strongly with my right hon. Friend the Member for Leeds Central (Hilary Benn), who said on the opening day of this debate that

“history will record the Prime Minister’s red lines to have been an absolutely catastrophic mistake”.—[Official Report, 4 December 2018; Vol. 650, c. 800.]

It would have been perfectly feasible to take a pragmatic, inclusive and flexible approach and reach out across the Chamber to all parties. The Government’s failure to do that has resulted in a political declaration which is vague and uncertain, and which, crucially, tells us very little about the key issues of frictionless trade. As a result, it is almost certain not only that this deal will be defeated next Tuesday, but that it will be defeated by a substantial margin.

After that vote, we shall have an historic responsibility and opportunity to forge a new way forward. I have signed both amendment (a), in the name of the Leader of the Opposition, and amendment (i), in the name of my right hon. Friend the Member for Leeds Central. Taken together, they could provide the basis for a way forward: rejecting the disastrous option of no deal, seeking instead a permanent customs union and a strong single market deal, and resolving to pursue every option to prevent no deal from happening.

It seems to me that there are two potential ways forward after the vote next Tuesday. Either we come together in the House, across party divides, and agree a position that can protect jobs, protect the rights of workers and standards in the environment and for consumers, and protect living standards. I believe we could achieve that with the good will of Government and Parliament working together. Otherwise, there will be no alternative but for us to take this back to the people, either in the form of an early general election or in the form of another referendum—a people’s vote.

The economic consequences of leaving without a deal could be disastrous. As others have said, they would hit the poorest areas hardest. I look at those areas of Liverpool’s economy, such as the car industry, health and life sciences, universities and the port. Those are the industries that would suffer most if we left without a deal, and regions such as the north-west would be hit hardest by a no deal Brexit. Yes, this deal is not the right deal, but let us come together and deliver the deal that really can protect jobs and rights across our country.

15:51:00

Bill Wiggin (North Herefordshire) (Con)

It is a pleasure to follow the hon. Member for Liverpool, West Derby (Stephen Twigg), and, of course, my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer).

Let me first commend the Prime Minister’s determination, fortitude and persistence in her negotiations with the European Union and in her repeated statements to the House. I, like many, want to conclude Brexit as swiftly as possible and to fulfil the result of the 2016 referendum, but the withdrawal agreement contains enormous problems. The Northern Ireland protocol provides for an extension of the customs union that would keep the United Kingdom in the customs union and some aspects of the single market. The Attorney General confirmed to the House, both in his statement and in his published legal opinion, that the backstop had no unilateral exit mechanism. That means that leaving the backstop and the customs union could be more difficult than leaving the European Union. The people who voted for Brexit voted for independence, and the backstop prevents us from fully leaving the EU. The current withdrawal agreement therefore does not respect the will of the people to leave the EU.

If the Government are unwilling or unable to secure a better deal, the default position is trading on World Trade Organisation terms—no deal, or a clean global Brexit, as it should be known. People who say that that would be a disaster—the consensus on the Opposition Benches is that it might be—are, generally speaking, people with whom I disagree, usually because they are wrong. Our exports to countries with which we trade on WTO terms have grown three times faster than our trade with EU countries since the 1990s. We currently run a surplus on our trade with our biggest national export market, the United States. By contrast, we run a deficit on our trade with European single market partners. Anyone who is afraid of the WTO should simply look around their home and note the sheer volume of items made in China, America and the rest of the world in order to conclude that the WTO is not quite the demon that Opposition Members make it out to be.

On Tuesday, the Grieve amendment looked, at first, like it had put power back into the hands of the House of Commons. Although many of my colleagues and constituents tell me that anything for which the House votes will not be legally binding, we have seen this week that the Government cannot ignore Parliament. The purpose of the amendment was to put at risk the clean global Brexit, given that it will not be supported by Parliament, so I worry that extensions to article 50, or a second referendum, could win the support of MPs who do not respect the result of the original people's vote. They should use this debating opportunity to remind the public that they will not seek to undo the result of the referendum, in exactly the way my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) did earlier.

Voting for the deal itself represents a threat to Brexit, but it also represents a threat to the Government. Ironically, the DUP, which will support the Government in a confidence vote if the deal is lost, would be closest to the hard border that the backstop seeks to prevent. Surely they must have their views respected above all else.

For our £39 billion, we deserve a proper arrangement with the EU that is mutually beneficial, as well as good value for our taxpayers. I fear that this deal does not open the door to positive trade negotiations. It hangs the threat of the backstop over the heads of our negotiators, which will force them to compromise and concede. Therefore, as it stands, I do not want to support the deal, but I hope that the Prime Minister will take our concerns on board and will act. I hope that she will return to this House with a deal that I and my colleagues can wholeheartedly support.

15:55:00

Chris Ruane (Vale of Clwyd) (Lab)

I wish to speak in this important economy day debate from a Welsh perspective. Wales has received £4.5 billion in structural funds from Europe between 2000 and 2018. I am particularly proud that in 2000 I was able to convince the then Wales Office Minister, Peter Hain, to allow my county of Denbighshire and the neighbouring county of Conwy in on that objective 1 European deal. Since that time, £4.5 billion from Europe and £4.5 billion from UK match funding has been spent in Wales. Thousands of jobs have been created.

In a practical sense, from my constituency's point of view, that money was invested very wisely. It was invested in the OpTIC Technology Centre in St Asaph in my constituency, a £17 million research and incubation unit that has created hundreds of jobs. That European funding was involved in securing the flood defences and extending the harbour at Rhyl. Some £47 million has been given to Bangor University and £90 million to Swansea University.

The pre-Brexit promise to the people of Wales from extreme Brexiteers who visited Wales was, “Wales will not be a penny worse off if it votes to leave.” Some of the people in Wales believed that but, post Brexit, those guarantees have disappeared. I have spent the past 18 months since being re-elected to this place trying to chase down those guarantees, to no avail.

The optoelectronics sector in north Wales employs about 3,000 people and many of the contracts it has are for defence—they are for platforms; it supplies component parts to a tank or lorry, for example. We need that international trade. We need that European trade. We do not need the Brexit deal put forward for next Tuesday.

Airbus has said that it will “consider” reinvesting in its plant in north Wales because of what the Prime Minister has put forward. It will only consider doing that. There is no guarantee from it that it will invest in aerospace. Paul Everitt, head of ADS and the air industry spokesperson, said that the deal proposed for next week

“doesn’t take us back to business as usual.”

Businesses are scared of what they have seen. They are more welcoming to the Prime Minister’s proposal, but I think that is only because that gives them two and a half years to escape, instead of the three months of a no deal.

I also speak from a north Wales perspective on the issue of the sea lanes. We have heard about the 17-mile tailbacks that would affect Dover. Seven-mile tailbacks are predicted for Holyhead. We are already seeing sea lanes open from Cork to Santander and from Cork to Rotterdam. If we lose the sea lanes and lose that trade with Ireland, which is as big as the trade with Brazil, Russia and India combined—it is worth over £45 billion—that will be a problem. We need to preserve this trade.

The predictions that have been made, even by the Chancellor, suggest that the Brexit proposal before us will lead to a 3.9% decrease in our economy. He calls that “slightly smaller.” For me it is huge. There have been predictions that £800 billion-worth of trade will transfer from the City of London to Frankfurt. When these economic facts are put before us, we hear the Brexiteers crying that this is hysteria or “Project Fear 2”, but what are those rich Brexiteers doing? They are salting their money away in Monaco, Dublin and Singapore. Who will pay the true price of a bad Brexit? It will be the poor, just as they have paid the price for austerity. We are in this situation. I feel sorry for the Prime Minister, but she is the author of her own downfall. She put in place extreme Brexiteers. She put the Fox in charge of the henhouse and others, too. In the past two and a half years, they have brought misery, division and disunity to this country. I for one will not be voting for this proposal next Tuesday.

Mr Speaker

Order. My apologies to colleagues, but on account of the level of demand, the time limit has to be reduced with immediate effect to four minutes per speech. I call Mr Nigel Huddleston.

16:01:00

Nigel Huddleston (Mid Worcestershire) (Con)

Thank you, Mr Speaker. Given that I gave my maiden speech in that length of time, I hope that I will be able to do the same today.

It is the responsibility of all of us in this House to deal with the world as it is, rather than as we would like it to be. We also need to recognise that the clock is ticking on this issue. We all have our

own lovely ideas about a world of unicorns and rainbows, but we have to deal with the practical reality, and we have to take this seriously. Today's debate is on the economy and business, and with that in mind I had a meeting last night with the CEOs of many organisations that employ tens if not hundreds of thousands of people in the UK. Their message was crystal clear: we must accept this deal because it provides certainty and the alternatives are too horrendous for them to imagine. They said that they were prepared for a no-deal scenario, but that their supply chains were not, which concerned them.

The message that this deal is not perfect but that it is one that we can accept is being repeated in my constituency. I have now talked to businesses that employ more than 10,000 people there. That message is coming from representatives of manufacturing industry in Droitwich and the food packaging industry in the Vale of Evesham. Again, the overwhelming opinion is that this deal is not great, but that we should accept it and move on.

At the end of the day, this deal was always going to be a compromise. It was never going to be anything else. Anyone who promised people that they would get 100% of what they wanted was, frankly, deceiving them. Any politician who believes that they are going to get 100% of what they want is in the wrong job. We have to be honest with the public. We must not let the perfect be the enemy of the good. As my hon. Friend the Member for Gordon (Colin Clark) said yesterday, we cannot go into a game with the tactics of expecting to win 7-0 because, when we do that, we often find ourselves losing 3-4. That is the reality of where we are.

This deal delivers on the vast majority of things that my constituents said they wanted. We are leaving the EU, the customs union, the single market, the common agricultural policy and the common fisheries policy. We are also ending freedom of movement. It is not perfect, however. The backstop is a major concern for many people, which I understand. It is also a concern for me. However, I am not as concerned about it as others are, because I do not believe that we will ever need to implement it. We will work together with our EU colleagues, because it is in our mutual interests to ensure that that does not happen. By definition, a backstop has to be mutually uncomfortable, and it is. If we did not have this backstop, we would have another one.

There is now a dividing line in this House between two camps. One contains those who believe that by voting down this deal we will end up with something better, whatever that might be—a second referendum, a general election or a renegotiation of the deal. The other camp contains those, including myself, who believe that, if we vote down this deal, worse things will happen. I believe the worst thing that could happen is defaulting to WTO rules under a no-deal scenario.

I do not believe for one minute that leaving the European Union will take us to some kind of tropical paradise, but nor do I believe that it will lead us to an icy wasteland. The UK economy is incredibly resilient, as we have seen over the past two years. We can cope with a lot of the things that are thrown our way, but why should we make it more difficult? We are now faced with the certainty and clarity of a deal. Business wants us to accept that deal. Not everyone in my constituency is happy with it, but most people are saying, "Just accept it. Let's get on with it and move forward." I am with them on that, because the one thing I cannot and will not do is risk jobs in my constituency in the hope that something better might come along at some point. I take incredibly seriously my responsibility as an MP to ensure that my constituents are employed in safe and secure jobs, and that is why I will be voting for this deal on Tuesday.

16:04:00

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op)

I represent a Black country constituency that is heavily dependent on manufacturing companies, the business models of which are deeply integrated with Europe. It is also a constituency that voted overwhelmingly for Brexit and, out of respect and having voted for the referendum, I felt that I had to follow the logic in that decision through.

I voted for the triggering of article 50 to be consistent with the referendum result, but I also voted for it because I felt that it was only when we entered into detailed negotiations with the EU that we would actually get some idea of the difficulties of realising the promises that were so easily, and often falsely, made to our electors during the referendum period. Far from having countries queuing up to do deals with us, and far from having the EU desperate to do a deal with us because of our relative economic influence, the Government have run up against as yet unresolved difficulties. We must recognise that the so-called transitional period is in fact a recognition of our failure to come up with a deal that actually conforms to the needs of our vital manufacturing industry and, of course, addresses the issues around the Northern Ireland border.

It is important to test the proposals against the requirements of manufacturing businesses. To be quite clear, companies have come to me to say that they are desperate that we accept the deal, not because it is better than the status quo, but because they are so frightened of the cliff-edge, no-deal scenario that they see looming ahead. I therefore want a commitment that, whatever else happens, there will not be a no-deal outcome. However, businesses also acknowledge that this proposal is not a deal as such. It is little more than a wish list wrapped up with warm words and good intentions. The fact that there even is a backstop proposal is tacit recognition in itself that the warm words, whatever they say, may not be realised.

If we get into the backstop, we will be in a position that in many ways replicates elements of a no-deal scenario. The Attorney General acknowledges in his legal advice that the backstop could lead to friction at borders between mainland UK and the EU and with mainland UK and Northern Ireland, which is a totally unsatisfactory and potentially dangerous position for our manufacturing industry. At the end of the day, I cannot see any resolution of the issues around the borders between Northern Ireland and Eire, the UK and Northern Ireland, and the UK and the rest of Europe that does not involve a convergence of regulation, the membership of a customs union and a trading bloc. I will not back a deal until that situation is on the table.

16:08:00

Mr William Wragg (Hazel Grove) (Con)

At the end of this debate, the House will vote in the most significant Division since 28 October 1971, when Edward Heath secured a majority of 112 to approve the White Paper that contained within it the terms of our accession in principle to the then European Economic Community. That evening, Mr Heath returned to Downing Street and so moved was he that he sat at his piano as a means to compose himself. I can only hope that my brief remarks this afternoon will be as well tempered as the music that calmed the late Prime Minister.

I say that because, too often, this debate and all those who have concerned themselves with our departure from the European Union have been unfortunately characterised by frayed tempers. Characters and motivations have been impugned, and mistrust has been sown abundantly. This is a great shame, and I entirely agree that now is the time to heal such divisions.

As the noble Lord Hennessy said when giving evidence to the Procedure Committee, the question of the European Union

“makes the political weather and drives otherwise calm people to distraction.”

I admit to having been driven, at times, to such distraction.

Although it is easy to talk, in general terms, of reconciliation, I take this opportunity to apologise to anybody, including Members of this House, with whom I may have exchanged cross words, whose integrity I have doubted or with whom I have simply let the subject of the European Union impair my judgment.

The tone of the debate is important. Although it is understandable that momentous decisions stir passions, often it is not only what we say but how we say it that matters. Just like during the referendum, it pains me to see my hon. and right hon. Friends perhaps lose sight of the fact that, whatever happens next Tuesday, we must come back together.

A good number of my constituents have wondered why I have not publicly declared my position on the withdrawal agreement and the political declaration. Indeed, a number of my colleagues have expressed surprise that they have not heard a word on the matter. [Hon. Members: “Leadership.”] Not quite; I know my limits. Given my consistent view on the virtue of leaving the European Union, I will reassure, or perhaps disappoint, my colleagues. My view has not changed in the slightest. However, as I said at the outset of my speech, this is the most important matter to be considered for more than a generation, and it therefore warrants the utmost consideration, care and appreciation of the arguments.

There is much that is practical and to be commended in the withdrawal agreement and the declaration, and I pay tribute to my right hon. Friend the Prime Minister for her tenacity, yet this honourable intent is now against a backdrop of fear. I have determined that how I vote next week will not be because of fear; nor will it be based on a misplaced optimism. Instead, it will be rooted in consistency and fidelity to my sense of what the United Kingdom is. As such, the Northern Ireland protocol contained in the withdrawal agreement is unacceptable, and the arguments have been much rehearsed. My right hon. Friend has her own reservations about it, and she must take from this, the will of the House, the strength and the instruction to change it.

Leaving the European Union is not a matter of left or right, Labour or Conservative; it is about a sovereign United Kingdom having the confidence to govern itself. It is as simple and—dare I say it?—as noble and beautiful as that.

16:12:00

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op)

Like many of my constituents, who voted overwhelmingly to remain in the European Union, I felt devastated on the morning of 24 June 2016. It was the sheer magnitude and permanence of the decision, and the feeling that, as a nation, we were committing an act of self-harm that would leave us socially and financially worse off for the foreseeable future.

Like many of my constituents, I also felt a deep sadness about what we stand to lose, not just economically but the fact that the outcome of the referendum felt like part of our identity was being taken away. That is why I shudder when I see the Prime Minister celebrating, talking about people jumping the queue, and tweeting in a style more suited to the current President of the United States, saying that we will be

“putting an end to the free movement of people once and for all.”

There is nothing to celebrate about leaving the European Union, and putting an end to the free movement of people is a step backward, not a step forward.

Let us not forget that it goes both ways. I am proud to call myself a European, but the next generation will not have the same freedom we had to live, work and study across the EU. For them the world will become smaller, which is certainly not something to celebrate. Just like on the other big questions, this withdrawal agreement tells us little about the impact of the decision to end free movement. What will it mean for the Scottish economy? That is a fundamental concern for many businesses in Scotland which rely on recruiting EU nationals to meet demands in the labour market. The onshore fishing sector, for example, is 70% dependent on an EEA workforce and is already having difficulty filling some roles, such as fish filleting.

I accept that there were concerns about free movement during and prior to the referendum, but the reality is that whatever new trade deals we manage to secure in future will have to include some element of workforce mobility. So the debate on migration is not going away, and the Government will have to do what they should have done all along: tackle the myths about immigration, and clearly set out what we gain as a nation and a society from people choosing to come here to live, work, study and contribute. Years of failing to do that, along with years of the Government blaming Europe for the bad while claiming credit for good, have played a large part in taking us to where we are today.

And where is that? The Prime Minister is right about one thing: given her red lines, this is the only deal that was possible. She boxed herself into a corner in an attempt to unify that side of the House when she should have been listening to concerned voices across this House. She has completely failed to take Parliament with her through this process, so we are now in the ludicrous situation where the Government are reassuring people that we are not going to be poorer than we are today, we are simply going to be poorer than we otherwise should be tomorrow. No one voted for that. She travels across the country expecting people to pat her on the back for agreeing to this, while at the same time denying them any say in the matter.

None of what we know now was on the ballot paper in 2016. The only time the public have been able to express an opinion on any of this since the referendum was when they considered the Conservative party's manifesto in June 2017 and took away the Conservatives' majority. There is no easy way out of the situation we are now in. I will always welcome an early general election, but while Parliament is in deadlock, with seemingly no majority for any option, it seems to me that the only democratic option left is to have a people's vote. This deal is not a good deal for my constituents and I could never support it.

16:17:00

David Morris (Morecambe and Lunesdale) (Con)

I have been sitting here all through this afternoon's debate listening to colleagues on both sides of the House. I welcome the tone of this debate, which has been very mature and stable, especially early on when the shadow Chancellor was speaking. I do not see eye to eye with him at all times, but there was quite a lot we did see eye to eye on. We are working to find a way forward on this whole issue for the UK, and we have to set aside our differences. I have thought about this long and hard, and I am sure a lot of colleagues have done the same, but what are we looking at in reality? If we strip away the political ideology and get down to the business, we find there is very little in this deal we cannot agree with. Had this deal been put on the table at the time of the referendum result,

we would have snatched the Europeans' hands off, but we are where we are now. Sadly, some Members from my party have mixed up this issue with—

Chris Ruane
Leadership bids.

David Morris
Leadership bids, as the hon. Gentleman said, but that has been and gone. In all honesty, what is going to happen on 29 March is that some people's political careers in here that hinge on that day will be null and void, because that is all they have talked about for the past two years and, in some cases, for all their political lives. As has been said, we have to grasp this nettle and move forward. I think we heard the finest speech this House has heard for generations from my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames). I had hairs stand up on the back of my head. I want to say that because he is not just my friend; he is an inspiration. He inspired us all. When all is said and done, what does this actually mean? This is about the country. His grandfather led us through our darkest times, and because of his grandfather's contribution we are still free and we are still working forward as a nation.

If we do not get—[Interruption.] It is nice to hear people giggling on the Opposition Back Benches. It is a pity they are not listening. If we move forward and get into a position where we can get our trade reinstated properly, in a free-flowing way, that would be welcomed by my constituents.

On hauliers, this is from the Department for Transport's guidance on determining international road haulage permit allocations with the EU:

“There are a limited number of...permits available for UK hauliers. For 2019 there are 984 annual permits for Euro VI emission vehicles, 2,592 monthly permits for Euro VI emission vehicles, and 240 monthly permits for Euro V or VI emission vehicles. Annual permits cover all journeys made using the permit between 1 January and 31 December 2019.”

F. Edmondson & Sons is a haulage company in my constituency—Members should bear in mind that we have a port that relies on haulage—that wrote to me to say:

“We are a family owned and operated international road transport company, established in 1948, specialising in international furniture transport.

For over 40 years we have been delivering furniture made in the UK throughout Europe. If the proposed Brexit deal is not agreed and the movement of freight is compromised through restrictive border controls it is not just the haulage industry that will suffer”—

Mr Speaker
We are extremely grateful to the hon. Gentleman.

16:21:00

Stephen Timms (East Ham) (Lab)
I welcome the constructive tone set by the hon. Member for Morecambe and Lunesdale (David Morris).

I wish to pick up a telling point made by my right hon. Friend the Member for Hayes and Harlington (John McDonnell) when he opened the debate for the Opposition. It is the case that an

inevitable consequence of trying to leave the European Union in a way that minimises the economic damage—that is what the Prime Minister has been trying to define—is that we will end up complying, across the board, with large quantities of rules over which we will no longer have any say at all. It is particularly ironic that that is the outcome of an initiative that was designed to take back control.

The situation is very well illustrated by the arrangements on data protection, about which I asked the Prime Minister in the House on Tuesday. We all know about the general data protection regulation. The Prime Minister made it clear, I think in her speech in Munich, that she wanted the UK Information Commissioner to keep her place on the European Data Protection Board—quite rightly—so that we can continue to influence, as we have done, the development of GDPR policy and the rules that we will certainly have to continue to apply so that data exchange between the UK and the EU can continue. That was the Prime Minister’s objective, but the agreement but does not provide for that continuing place on the board. Under the agreement, the UK Information Commissioner will lose her seat on the board at the end of March, when we are due to leave the EU, and we will lose our say and influence on rules that we are certainly going to have to continue to apply.

The problem is particularly clear in that case, but there will be a lot of examples of that kind right across the board. When I asked the Prime Minister about this issue on Tuesday, she made the point, correctly, that we will continue to have our place in global standards bodies. That is true, but on data protection, with the GDPR, on chemicals regulation and in a whole host of other areas, it is the EU that is setting the pace on global regulation. Under this agreement, we will lose the influence that we have been able to wield in the past through our influence over those EU rules.

It is absolutely right that balancing national autonomy on the one hand with prosperity on the other is the nub of this debate. The Prime Minister has tried to reconcile those two conflicting objectives. I readily acknowledge that she has worked very hard over nearly two years to bring that about. She recognises just how damaging leaving the EU without a deal would be. Some people in this debate have denied that, so I was pleased to hear the Chancellor of the Exchequer robustly argue that case in this remarks earlier.

In my view, given that a referendum kicked all this off, we now have to ask the people what the right way forward should be. The Prime Minister has negotiated a deal designed to minimise the economic damage. The question now is: should we leave the EU on the basis she has negotiated, or should we stay? That question has to be answered by the people who took part in the initial referendum, either through a general election, at which the parties could set out their stools, or, if that is not possible, through a people’s vote.

16:25:00

Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con)

It is always a pleasure to follow the right hon. Member for East Ham (Stephen Timms), who made the point about becoming a rule taker in a very good area of policy.

I have not spoken in the numerous debates over the past year on Brexit as my views are well known to my constituents and others on what I believe delivering a new relationship with the EU should mean, if it is to be respected as a real Brexit. Delivering a new economic partnership with good relationships in sectors of mutual interest and benefit was always going to be a huge job. Forty years of intertwinement takes some time to unknot, as anyone who has ever tried to disentangle string knows.

The critical challenge was always going to be how the EU chose to engage in these negotiations for a new relationship and, most importantly, what its attitude to the devolved settlement would be. Would it work on a fair and equitable basis, or would it feel the need to show its strength and authority as a Commission—that overarching legal entity whose purpose is to drive forward the EU integration project to create an economic, political and military union? To those who say that the EU is somehow an ogre or bully working against UK ambitions, I say that is unfair. Its sole mission in any negotiation should be, and always is, the self-interest for the project's success. Jean de La Fontaine's poem about the cat, the weasel and the little rabbit, which my mother used to read to me, reminds us all that the strong are apt to settle disputes to their own advantage, but the UK should not acquiesce to an unreasonable new relationship.

The British people asked us to reboot our trading relationship so that we could be free to be a global-facing sovereign nation once again. I will not be able to endorse the withdrawal agreement—this proposed treaty that sets the new legal relationship with the EU, alongside this non-binding political declaration, which sets out a broad-brush picture of the new relationship the Prime Minister and the EU would like. I fundamentally disagree with some of those plans, both the unacceptable unlimited Northern Ireland backstop protocol, much discussed already today, and the many proposals that limit our nation's future success and opportunities as a sovereign nation once more, with economic advantage restored to us. Nowhere is that clearer than the Prime Minister's proposal for building our defence and security in the new relationship.

It is a constant concern and surprise to me that, for all the modelling the Treasury has done, the risk to our economic flows due to the closure of waterways has not been modelled—perhaps no one wants to think about that. We must look very closely at the proposed post-Brexit relationship with the EU. We must consider whether to accept what is clearly beneficial to the EU and whether it carries a significant risk of detriment to the UK, our defence industry, our control of our own defence and security forces and our ability, independently and with sovereign capability, to protect our economy and our constituents' security in the decades ahead.

The language of the political declaration does not fill me with confidence. The reality is that we must be able to maintain our sovereign capability, industrial autonomy and freedom to protect our defence industry as we believe necessary and beneficial. This has not been an issue historically because the military union was only an idea. That is no longer the case. I am profoundly concerned that the proposal in the political declaration poses unacceptable risks to the United Kingdom's defence and security flexibility, tying us into European projects when we might prefer to choose wider global partners. I am afraid that the supplicatory and subservient nature of the proposed treaty and future relationship cannot command my support.

16:28:00

Albert Owen (Ynys Môn) (Lab)

The draft withdrawal agreement is a political fudge. The political declaration weakens the United Kingdom, and, as the economic analysis, whether of this deal or no deal, shows, the agreement would make my constituents, the people of Wales and the people of the UK worse off economically. I cannot support a fudged deal that weakens the UK and makes people poorer, and I will be voting against it on Tuesday, but I will be supporting the amendment in the name of my right hon. Friend the Member for Leeds Central (Hilary Benn).

In 2016, my constituency voted by the slimmest of majorities—715—to leave the European Union. I respected that result. It was a mandate to trigger article 50, which I voted for because I felt that it

was the right thing to do. I stand today representing not one section of that community, whether leave or remain, but 100% of the electorate, which includes those who did not vote and those who could not vote because of their age. I am here to represent all those people.

In 2017, the Prime Minister called a Brexit election. She proposed a clean Brexit—everyone will remember her saying that Brexit means Brexit—and she lost her parliamentary majority and that mandate. As other Members have said, she could have then reached out and built a consensus across the Chamber and pulled our country together. She chose instead to put her party's interests first. She said that a general election was not in the interests of the country, but she went ahead with it anyway and made a deal with the European Research Group and the DUP, and we have seen where that has ended up.

In the 2017 general election, I put forward a sensible soft Brexit. My mandate and my majority increased significantly. Indeed, parties that represented that opinion in my constituency secured more than 70% of the public vote. I wanted a sensible Brexit, and voted for amendments in the European Union (Withdrawal) Bill. Unfortunately, they were forced down by the Conservatives and the DUP.

My constituency is on the frontline of Brexit. It is the major port with the Republic of Ireland, a gateway to Wales and Great Britain and it relies heavily on trade across the Irish sea. Yesterday, I read with great interest the Attorney General's advice on trade. His words were very clear—although he is a barrister, I understood every word that he said. He said very clearly that trade between Northern Ireland and Great Britain would require regulatory checks, whether at the airport, at the port, or down the road. There is no room for such checks at the moment. Goods from Great Britain going to the EU would be considered third-country goods. That is why I cannot accept this deal, and it was right that our Front-Bench team fought to get that evidence.

I am on the Business, Energy and Industrial Strategy Committee and have seen no evidence that this deal will be better than what we currently have. I accept that businesses are putting pressure on us, saying that this deal is better than no deal, but it is just pushing the matter down the road. There are no guarantees, which is why Members have to look to the long-term future and to our younger generation and ask with honesty whether they can support a deal that makes that generation poorer and that makes our country poorer. I cannot do so. I think that we should look again. We should go back to Brussels, have a general election or, indeed, another referendum, which is based on the facts.

16:32:00

Andrew Lewer (Northampton South) (Con)

Although I am a former MEP and a current member of the European Scrutiny Committee, I have not consumed huge amounts of Chamber time talking about Brexit, largely because most of my constituents in Northampton South are, like me, just keen that we get on with it, and also because esteemed colleagues have said, in every variant imaginable, most of the things that I would have wished to say. However, as we reach this most critical of all critical moments, it is important now to be on the record, and my themes are principle, pragmatism, simplicity and complexity.

Many colleagues here pride themselves on their pragmatism and, indeed, have cited pragmatism as their overriding reason for supporting the withdrawal agreement. I recognise pragmatism as being of value as a means to an end—as a means for a person to achieve their objectives and their principles. What I do not recognise or accept is this concept that has captured some people of pragmatism being a principle. It is not. If being pragmatic defeats the principles that we seek to

uphold, then it takes on a much less healthy character. That is the problem with this deal; it offends against some of the key principles which I and many others in this House hold dear. One of the most important of those is the Union. What higher principle can a lifelong member of the Conservative and Unionist party have than that of protecting and strengthening the Union? This deal would create a border down the Irish sea, separating Northern Ireland from the rest of the UK. To quote the Attorney General:

“for regulatory purposes GB is essentially treated as a third country by NI”.

It probably does not surprise DUP colleagues as much as it surprised me that a Conservative Government should be seeking to do this—that little bit of distance lending perspective—but I think it is crucial that Conservatives do not do this. The pragmatism? Well, that goes together quite nicely with this issue, because if we do pursue this deal, we will lose the support of the DUP altogether and then we cannot function as a Government.

Beyond the referendum is the manifesto that I and all Conservative colleagues were elected on, particularly page 36, which said that we would be out of the single market, the customs union and the European Court of Justice. That is one of my key reasons for not supporting the deal. My contract with the electorate is tied to the central concept in democracy that we mean what we say and we do not contribute to the growing sense of cynicism in public life. I am not going to say to my constituents, “I only said those things to you to get elected.” It seems like a straightforward principle to me.

The EU is like an onion; every time people get towards a clear view, there is another layer that an expert or someone involved in the Commission can unpeel to challenge people with a different view. It is right that we have explained much of that complexity in these huge debates in the Chamber, but it is more important for my constituents in Northampton South to have some simplicity. And here it is. The referendum result was leave. We were elected on a manifesto that made it abundantly clear what kind of leave we would undertake, and we formed a Government on that basis. This deal is not that leave; the indefinite backstop, the border down the Irish sea, the ongoing role of the ECJ are only the most prominent reasons why it is not. If this deal goes through, we lose our majority with our DUP friends. Simplicity, principle and even a good dose of pragmatism—all good reasons for saying no to this deal.

16:36:00

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op)

I have been elected to this House twice since the referendum: first in a by-election, and then a short 12 weeks later in the general election. Both times, I was elected on a clear promise and a manifesto commitment that said that we would respect the outcome of the referendum. In my mind, that means that we leave the European Union, but do so in a way that causes the least economic damage. That does not mean a hard no-deal Brexit or a second referendum, which I do not support and think would do nothing but further entrench the divisions in our society.

The anomaly of this debate is that, frankly, everyone contributing today has made up their mind. Everyone who will contribute on Monday and Tuesday has made up their mind. In fact, we could probably have a good guess now as to the final numbers in the Division on Tuesday—that is, that the Prime Minister’s deal is dead; it is sunk; it is no more. The real debate we should be having is about what we do next. What does this country do next that avoids the current default option of no deal, but at the same time allows us to honour the spirit of the referendum and untie our political union with the European Union?

My leave-voting constituency was 70:30. In parts, it was 80:20. My constituents were quite clear. Contrary to the emails I have received, they were not racist, prejudiced or thick. And it was not the case that they “did not understand” or “did not know”. My particular favourite was the lady from London, who emailed me to say that I should get a subscription to The Guardian for every person who voted leave—then they would really understand what life is like in this country.

We should be looking at how we can heal the nation as a whole. I say to my constituents who say that we need to get out of Europe at all costs, Europe is not the cause of our problems, but nor is it the salvation. It was not until '97 when a Labour Government came to power that we signed the social chapter, despite it being a piece of European policy from '93. When workers' rights were attacked by the Conservative Government by doubling the continuity of service before workers could access them, it was not Europe that stood up for them, it was the trade union movement. When the Trade Union Act 2016 was introduced to try to take away that power, it was the Labour party that stood up against it, not the European Union.

In my constituency we have lower wages. We rank 13th in social deprivation tables. We have a hospital in financial special measures. Young people in my constituency struggle to get a house, get a job or go to college. That is while we are members of the European Union. The European Union offers no bulwark against the social inequalities we see today, which are predominantly driven by domestic issues perpetrated by the Government. We should spend our time and energy working out the radical domestic policy agenda that we want to enact as a Parliament and as a country to deal with those social ills.

So far the debate has focused almost entirely on process. We have talked about votes, amendments, the order of amendments, the membership of sifting committees, whether the House of Lords gets to have a vote that stops something, or whether an amendment is binding. My constituents frankly do not care about that. They want to know how they will feed their kids and heat their house, and how they will get to work if there is no bus. How will they make ends meet if they have to move from their current benefit on to universal credit? Those are the issues that motivate people in my constituency, and the sooner we move away from Brexit the better.

That does not mean, however, that we should simply sign up to any deal that the Prime Minister puts forward. I do not know what the alternative is, but no one else in the Chamber appears to know either. Everyone says that no deal is not an option—fine, let's take that. We are unlikely to have a general election because the Conservative party does not voluntarily give up power. That is not what it does, although it might fall apart in front us, which is delightful. I do not support a second referendum, so I simply ask the House: what do we do next?

16:41:00

Martin Vickers (Cleethorpes) (Con)

The Cleethorpes constituency that I represent, and neighbouring Grimsby, were badly hit by the decline of the deep sea fishing industry in the 1970s and '80s, and have never fully recovered. However, the recent revival of the offshore renewables sector, and the town deal that we managed to negotiate with the Government, provide reasons for optimism. Those who operate the Grimsby and Immingham port complex—by tonnage, the largest in the UK—are optimistic about the future, and only recently announced a £36 million investment to deal with increased container traffic.

Exit, or Brexit, will allow the establishment of free ports in the UK. Yes, they could be established if we remained in the EU, but the complexities, rules and regulations militate against that. Free

ports would be a major boost to my area. The benefits to investors are those of duties, tariffs and tax incentives, but they would also be a magnet for investment in the area. By definition, the many coastal areas that lend themselves to free port status are in deprived areas of high unemployment. The Grimsby and Immingham area ranks in the bottom quartile for deprivation, and high-skilled jobs would be a major benefit. Together, ports in the north of England handle more than 10 million tonnes of goods each year, and contribute £5 billion to the economy of our country. The north-south divide would be narrowed by the establishment of northern “supercharged” ports, as a recent report referred to them.

In the Humber, there has been particular focus on energy, and investments by ABP, Able UK, Ørsted and the like are providing enormous benefits. However, 70% of people voted to leave the EU, and it would be wrong of me to go against that both for personal reasons and as a true representative. In 1975 I voted and campaigned for a “no” vote as it was then, because I believed that the sovereignty of our country was being taken away. How could I now vote for a deal that puts us into a backstop that we can get out of only with the approval of a foreign agency?

Sovereignty means sovereignty. It cannot be dissolved in any way. Culturally and historically the UK has been different. We have been semi-detached members of the EU and not fully signed up—that is why we wanted opt-outs, rebates and the like. Prime Ministers from successive Governments have struggled with the fact that they were pushing people in a direction in which they did not want to go. The talk we repeatedly hear of a second referendum is unacceptable. What if the result was narrower than the first? What if only 50.1% voted leave? The debate would continue interminably.

I firmly believe that we should reject the deal. Under no circumstances could I support it, although I recognise that at some point we will have to coalesce around yet more compromises. That is regrettable, but inevitable.

16:45:00

Ian Paisley (North Antrim) (DUP)

My constituency voted overwhelmingly against the European Union; it voted to leave. Indeed, it was the constituency with the largest leave vote in Northern Ireland and about the fifth largest in the whole United Kingdom.

My constituents did not vote that way out of some sense of stupidity. I want to paint a picture of what my constituency represents. It makes up about 25% of Northern Ireland’s manufacturing base—precision engineering, aerospace, pharmaceuticals and bus manufacturing; about 60% of the buses driven on the roads of this nation’s capital are engineered and made in my constituency.

The rest of the constituency is made up of a huge hinterland of agri-food production and, at the top end, a huge tourism sector, which has seen major growth in customers from outside the EU in recent years. My constituency is diverse, wealthy and economically important to Northern Ireland, with a huge economic drive. It was part of the European Union for 40 years. The agri-food operators there are major producers of milk, beef, lamb and poultry—most the poultry sold on this side of the water is grown in my constituency. When people walk into their supermarket here, they are more than likely picking up a County Antrim turkey, piece of pork or chicken.

It could have been said that the farmers in my constituency would never be interested in leaving, because they were part of the European club. They had been in a club for 40 years, were given the choice to leave and told that they would no longer have all the largesse they had been given, but still, looking at the ballot paper, willingly decided that they wished to leave. They did not do it

through stupidity, but through knowledge. Clearly, the club they had been in for 40 years was failing them in such a way that they felt that this was an opportunity to find a new direction—new hope, new employment and new opportunity.

In thinking about where we should go next and about the battles and divisions that have arisen, I am reminded of a quotation from C. Desmond Greaves, the Irish historian, who said:

“All fundamental battles in British politics take place in the Conservative party, with everyone else having bit parts.”

That may not be entirely accurate, but some of the huge issues that have driven our nation—whether it is the corn laws, the imperial preference in the 19th century, the appeasement of the Nazis in the 1930s or our relationship with the EEC in the 1960s—were about divisions in the Conservative party.

I will say this. The issue is not about how the Opposition side of the House are going to vote, but what the Government side are going to do. They have a choice: they can stuff Northern Ireland into being some sort of adjunct of this kingdom and damage it for generations—for ever—or else they can say that there is a better way, an alternative, and we will find it. We are already hearing mutterings from Downing Street that alternatives can be found and that there can be certain twists and turns. Please, Government Front Benchers, I beg you: help us find that alternative and we will help you and help make sure that this country goes on from strength to strength.

16:49:00

Robert Neill (Bromley and Chislehurst) (Con)

It is a pleasure to be called to speak in this important debate. It is also a pleasure to follow the hon. Member for North Antrim (Ian Paisley). He and I come at this from a different perspective, but that is because I am concerned about the interests of my constituency.

My constituency voted very narrowly to remain in the European Union. I have always been a supporter of being a member of the European Union. I campaigned for remain, I voted to remain, and I would do so again. I do not believe that we will be advantaged by our leaving. However, we cannot wish away the outcome of the referendum. I stood on a manifesto at the election that said that I would endeavour to implement the outcome in a way that protected the interests of the businesses and jobs of my constituents. From my constituents' point of view, the most important thing is to ensure continuity and business stability.

The largest proportion of the working population of Bromley and Chislehurst—some 36%—works in firms in and connected with the financial and professional services sector. London is the leading European centre for those businesses. A manageable Brexit, all those who work in those sectors tell me, would be an economic blow: we would not be as well off as we were, but it would be manageable; it could be contained and we would then, in due course, be able to build up opportunities and fresh markets elsewhere. But the one thing that would be disastrous for the financial services sector—which underpins the whole of our economy, it is worth stressing—would be a disorderly, no deal Brexit. WTO terms are of no assistance at all to the services sector, and since we are an 80% services economy, we should not forget that.

That is why although the deal is imperfect, because all compromises are, I will support it. I will support it because I am a Conservative on the grounds that I believe in free markets and capitalism; I am unashamedly a supporter of that system. I also do so because I am unashamedly a Unionist. I

genuinely believe that the Prime Minister has used her very best endeavours to try to reconcile two very difficult, conflicting tensions within our United Kingdom in a way that is honestly intended to try to enable the Union to be preserved, but equally to enable us to have a sensible and organised departure from the EU, and a basis on which to build on our future relationship.

I would like to see more about services in the future relationship, but I accept that that is a compromise I must make. The key thing is that everybody in the sector says that this deal gets us into transition. There are very complex technical matters that we will need to sort out around the whole of the services sector. I mentioned financial services but I also mention legal services. The Justice Committee recently did a report on this. There are significant technical issues that we will need to sort through. That cannot be done in a matter of months, as has been said—40-odd years of integration will take time to unravel—but the transition period gives us the opportunity to do it in a constructive way. Otherwise we potentially put at risk billions of pounds of important trading revenue coming into this country, and therefore important tax revenue for our public services as well.

That is why I will put aside such qualms as I have and support the deal. I appreciate that the backstop is an issue for many of my colleagues. I do not much care for it, but I take the view of the Attorney General that we need to look at the balance of risks. Something that may not, at the end of the day, ever be needed—as I suspect will be the case—has to be balanced against the certain risk of the disruption to key elements of our economy of no deal, and the risk of further division in our country if we do not accept the outcome of the referendum and find a new basis on which to go forward.

16:53:00

Phil Wilson (Sedgefield) (Lab)

We all know, whatever our views on Brexit, that this is a moment of history critical to the future of our country. I think of my children and my grandchildren and their future in a world that is becoming more uncertain, from climate change, to globalisation, to international terrorism, to the threat of countries like Russia—and into this pot of international and global uncertainty, we throw Brexit. At a time of international political divergence when our global institutions and alliances that have been the foundation of the rules-based order are in question, we decide to break away from one of those economic unions because of nationalistic politics and fantasy economics pedalled by populists, many of whom cannot even be bothered to stay the journey and help sort out the mess they have created.

I am proud of my country. I am a patriot, not a nationalist. Nationalism, as we know, leads down bleak avenues and dark cul-de-sacs. As a patriot, I look around the world at the economic might of the USA and China, and I do not believe it is wise to leave a union of 27 other European countries that provides one of the biggest single markets with 500 million consumers. However, the British people voted to leave the EU.

The Prime Minister started her tenure with the red line of “Brexit means Brexit”—a solid, simple red line that has been washed away with a withdrawal agreement in which Brexit means fudge. If this deal gets through, on 29 March we will have nothing to guide us forward except a vague “all things to all people” political declaration. When I ask the Prime Minister in this Chamber whether her deal is better than the one we have now, she cannot answer yes, because she knows in her heart of hearts that the answer is no. With the Prime Minister unable to answer a direct question, the Government press on, sound in the knowledge that our constituents will be worse off and that

nothing more can be done. That is the perverse logic of Brexit. We know that what we are doing will damage our country, but we are going to do it anyway.

I campaigned to remain in 2016, and I cannot say in good faith to my electorate that I have changed my mind on Brexit. First, my constituents would not believe me, and secondly, I did not enter politics to knowingly make my constituents poorer. That presents a moral dilemma for remain-supporting MPs, especially those whose constituencies voted to leave. Many of my Labour remain-supporting colleagues who represent leave-voting constituencies feel this acutely, and I feel it too. In my constituency, almost three out of five voters voted to leave. For me, however, the fundamentals have not changed. Brexit will be bad for Britain, the north-east and my constituents. Remain MPs know that if leaving the EU was not good for the country in 2016, after all the Brexit twists and turns since then, leaving is certainly not the right thing to do now.

The electorate is now faced with the reality of Brexit in 2018, unlike the myths of 2016. That is why the British people should have the right to think again, in a people's vote. If, which seems likely, MPs are to have two votes on Brexit in the next two weeks, why can the British people not? They may agree to proceed with Brexit, or they may decide to stop what we have started. Either way, the final decision will have been made. This started with the people. It should end with the people.

16:56:00

Richard Drax (South Dorset) (Con)

Before I start, I want to say this. Two Opposition Members have called myself and other honourable colleagues "extremists". I am not an extremist; I am a humble Back-Bench MP trying to deliver what the British people asked us to.

I wonder how posterity will record this period of our island's history and democracy. Will it be a period of unity, courage, integrity and democracy in action, or will it be a period of division, rancour, faint-heartedness, lack of integrity and the will of the people disrespectfully ground into the dirt? I had hoped and prayed for the former, but I fear the latter is more likely to darken the pages of our history books in the future, unless there is a Damascene conversion in Government policy. I remind the House that we agreed to an EU referendum by 544 to 53 votes, to trigger article 50 by 461 to 89 votes, and to pass the EU (Notification of Withdrawal) Bill by 498 to 114 votes. Those were not marginal wins.

Our instructions and our duty are clear: to leave the EU in its entirety. However, regrettably and sadly, there are many politicians on both sides of this House and the upper House who are doing all they can to prevent Brexit. If their will wins, why on earth should any of us stand for this place again? Why should we knock on doors and sell our hopes for the country, whichever party we belong to, when no one will believe a word we say? Despite frequent warnings, we are being led to a dark place, unprecedented in our history.

I was grateful to be granted a private meeting with the Prime Minister on Tuesday. Having written to her frequently with my blunt assessments of her direction of travel, what I say in this Chamber, I have communicated directly to her.

Many colleagues have already exposed the deal for what it really is, but I would like to briefly list five of the reasons that I cannot vote with the Government on Tuesday. First, it does not deliver what the people voted for. Secondly, the backstop is a potential trap. Thirdly, the Prime Minister promised repeatedly to respect the constitutional integrity of the United Kingdom; the withdrawal agreement does not. Fourthly, we intend to hand over up to £39 billion of taxpayers' hard-earned

money without so much as a by-your-leave. Fifthly, the much ignored and extremely ambiguous political declaration leaves far too much room for mischievous politicians, both here and in Brussels, to play fast and loose with the UK struggle to leave the EU.

As I have the time, may I briefly touch on the no deal? When we negotiate, we have to have something to fall back on. We need a point beyond which we will not go any further, and that is what the no deal option is. It is one that none of us wants—whatever those in this House think that people like me think, we do not want it—but the WTO terms are not the end of the world, and under those terms the EU cannot discriminate against us. This whole debate is about our destiny—the future—and once we have grabbed that future, the rest will fall into place.

17:00:00

Joan Ryan (Enfield North) (Lab)

I campaigned during the referendum to remain, I voted to remain and, like many, I was devastated at the outcome. While the EU is far from perfect, our country, our capital and my constituency have benefited hugely from our membership of it. Enfield North constituents voted narrowly to remain. However, I accepted that the country as a whole voted to leave, and the Government therefore had a mandate to negotiate a Brexit deal, so I voted to trigger article 50. I can say that I deeply regret this decision. If I had known then that the Government would make such a mess of the negotiations and would bring back a deal that will make my constituents and our country so much poorer, I would never have voted to trigger it.

The Government are pursuing a policy that will damage our country for generations. Damning economic analysis by the Treasury shows that, in every scenario, Brexit would make our country worse off. Nobody voted for that in 2016: it was not on the ballot paper; nor was it plastered as a pithy slogan on the side of a bus. A YouGov Brexit poll in The Times yesterday shows clearly that a growing number of people believe the leave vote was a mistake and less than one in four people support the Prime Minister's deal.

People do have the right to change their minds. In separate YouGov research this month, three times more voters say the case for the public being given a final say on Brexit has been strengthened than say it has been weakened. The majority of the public now support a people's vote, including 60% of people living in Enfield North. Is that any wonder, given that the Prime Minister has consistently put her party's interests before the interests of this country? It is pointless for her to tour the TV and radio studios to sell her Brexit deal to the public, but not give them the opportunity to decide whether they want to buy the deal with a people's vote.

The Mayor of London, Sadiq Khan, has said that

“the abject failure of the Government—and the huge risk we now face of either a bad deal or a ‘no deal’ Brexit—means that giving people a fresh say...is now the right, and only, approach left for the good of our country.”

The public must not be shut out of this decision, given what is at stake. Huge economic risks and human costs are involved. Independent economic analysis shows that every Brexit outcome analysed would be bad for the economy. A worst case no-deal Brexit could mean 87,000 fewer jobs in the capital alone by 2030, and a lost decade of less investment and lower growth.

At Brimsdown in Enfield, we have the second largest industrial estate in London. It is a vital part of our local economy, with 8,000 people employed in 240 companies on site. Many of these

companies trade throughout the EU, relying on the single market, the customs union and freedom of movement. If we were to crash out of the EU with no deal or leave with this bad deal, Brimsdown and our local economy will suffer.

Enfield has already been hammered by eight years of Tory austerity. The council is having to cope with a £178 million cut to its budget, which is piling huge pressure on services. There is soaring child poverty, with 34,000 children in the borough now living below the bread line. One in three jobs in Enfield is paid less than the London living wage. Families are struggling just to keep their heads above water, and I am not willing to gamble with their livelihoods and our economy to satisfy the fantasies of hard Brexiteers.

We have other responsibilities about which to be mindful, such as the future of our young people and ensuring they get the best possible start in life. All the young people I have talked to feel that we have sold them down the river. It is time to go back to the people and let them decide.

17:04:00

Julia Lopez (Hornchurch and Upminster) (Con)

I recall, not long after the Chequers plan was announced, looking across the Chamber during Prime Minister's questions and feeling a terrible sense of dread as I realised that the moment of reckoning was coming that could see this House completely out of step with the wishes of the British people. That moment is now upon us, with each and every parliamentarian facing a choice that could profoundly influence trust and faith in our democracy.

The EU referendum took place before 2017 MPs like me were elected. I approached that poll as a private citizen, with a genuinely open mind about the choice before us. The subject of Europe was never one that had consumed me. Along with countless British citizens, I thoroughly researched the issue and largely ignored the hyperbolic official campaigns. As I did so, I assumed that the facts would eventually stack neatly in favour of one choice or the other as I totted up the benefits and drawbacks of each. However, that never happened. I came to realise that the referendum was not a black and white issue with a correct answer, but fundamentally a judgment call about the future, a future that neither side could claim to predict.

I judged that the EU was going to have to politically integrate more deeply if the euro was to survive, creating an inevitable and potentially unbridgeable fissure with non-eurozone members. I saw an organisation that was unwilling or unable to change in the face of major crises at its borders and across its economies, a body that seemed ever more distant from the people it purported to represent and whose structure was neither nimble nor flexible enough to deal with the fast-changing global landscape. When attempts to renegotiate our relationship resulted in so little and when referendums in other nations had gone largely ignored, the notion that we might influence fundamental reform from within seemed more the triumph of hope over experience.

I was equally fed up with the habit of our own politicians of blaming the UK's shortcomings on Brussels all the time. After the financial crisis and expenses scandal, faith in politicians seemed never to have been lower. I wanted greater accountability of the governing and to bring power closer to, and restore the consent of, the governed. I did not tell anyone else what option to choose, but I decided on balance to vote leave, in the faith and acceptance that whatever the result it would be implemented by those in power. Now I am an MP, I believe ever more, as I look across at a continent where people's genuine frustrations are translating into political extremism, that Brexit gives British politicians the chance to shape today what could prove an uncontrollable democratic crisis tomorrow.

After my election, I supported the Prime Minister's original Brexit strategy as set out in her numerous speeches: not to cherry-pick from the EU's four freedoms, but, while leaving, to seek as wide-ranging and comprehensive a trading and security relationship as possible. I accepted that compromise would be necessary to get there and that aspects of the process would be complex. The Chequers plan, however, marked a turning point for us all. Far from pleasing either side, it united both remain and leave camps in its misguided attempt to achieve a half-in, half-out relationship with the EU. Once that plan had been roundly rejected by European negotiators and requests for a new direction were resisted, we were set on the path of the deeply flawed withdrawal agreement that we debate here today. With the clock wound down and no-deal warnings ramped up, this agreement is now being fought not on its merits but on the grounds that the Government have contrived to offer no better options. Under its terms, on 29 March, we technically leave the EU but enter straight into a transition period that will give us another two years of political discord, unable to move to the relationship we desire because we have given up all our negotiating leverage. The pretence that we should be able to strike free trade agreements of any value, win back control of our laws, and fulfil the manifesto commitments upon which all Conservative MPs were elected, is, I fear, a collective delusion, with this agreement a clever ruse disguised as a sensible compromise.

It has been convenient to portray this battle as one that takes place exclusively within the Conservative Party, and to suggest that a small band of right-wing Brexiteers is holding the moderate majority to ransom. However, this is not about what Brexiteers want. The reason why this fight matters so deeply is that this withdrawal agreement is not consistent with what the British people voted for and it places us in a position unworthy of our nation.

17:08:00

Sandy Martin (Ipswich) (Lab)

I voted to remain in the European Economic Community in 1975. As a young man who had just turned 18, I was lucky enough to be able to make a decision that affected my economic future. It is a matter of regret that 16 and 17-year-olds were not able to vote in June 2016. The terms on which we leave the European Union will have a massive effect on their lives, far more so than on the lives of the over-70s.

The result in 1975 was very clear. Given the economic circumstances in which this country found itself in 1975, I am not at all surprised. The six original nations of the EEC had growing economies, flourishing trade and bright futures. The UK had just come out of the three-day week. If anyone had seriously suggested in 1975 that 43 years later, the UK would be the fifth largest economy in the world, would they have been believed? I fail to understand the logic of so many Government Members who say with one breath that this country is flourishing and with another that we should tear up a major part of the economic framework that has put us in that position.

I want to focus on the future—on the future of young people in Ipswich today and on the effect that this so-called deal is likely to have on them if we leave the EU on these terms. First, the Government's own economic analysis shows Brexit on this deal costing us around 3.9% of our GDP, dwarfing the current level of contributions to the EU. I cannot in all conscience vote for any deal that leaves my constituents worse off and I cannot understand how any other Member of this House could either.

Secondly, without a strong single market, much of the current growth in tradeable services will be stymied. Much has been made about manufacturing industries and I will say nothing to belittle their importance, but in my constituency, and in many others besides, it is in financial services,

insurance, software design and creative industries that the future lies for our young people. They are already embracing those new industries and we run the very real risk that our market for those new industries will be chopped down just as it starts to bear fruit. Thirdly, this deal provides no guarantee that the UK will continue with key educational, scientific and other research programmes

Ipswich has one of the fastest-growing economies in the UK and that growth is in many of the same sectors as we have in Cambridge, the current success story. That is put at risk by any block either to our ability to sell knowledge-based products, or to the free movement of those engaged in research and the knowledge economy. All of us need young people in the UK to be able to share and learn from each other across Europe; otherwise, what developed knowledge-based economy are we going to have? Where is the money going to come from to support us in our old age? We cannot all live on dividends from offshore investments. I do not believe that there is enough in this withdrawal agreement to mitigate the appalling damage that would be done to our future by leaving the EU without a deal. Hon. Members should not support something that they know to be wrong just in case the Government might plunge us into an even worse situation.

I will support any amendment that seeks to rule out a no-deal Brexit altogether. If Government Members agree to hold a general election now, I believe that it will still be possible, whatever Michel Barnier might say, for an incoming Government, focused on the future prosperity of our country, to produce a withdrawal agreement that would be less damaging to our economy and acceptable to the EU. However, if that option is not available to us, I urge hon. Members to consider what the younger residents of the UK would want us to do, including those who were not old enough to vote last time round.

17:12:00

Jeremy Lefroy (Stafford) (Con)

I want to look forward 10 years from now, at the position our country will be in if we vote for the withdrawal agreement, as I intend to, and have a deal along the lines of the political declaration. I believe that we will see a country in which we have implemented the results of the referendum and that we will almost certainly—I will come on to that in a minute —have broad and comprehensive agreements with the European Union. We will probably have agreed free trade agreements with many other countries, including those that we do not have them with at the moment.

However, there is, of course, uncertainty in that. There is uncertainty in every course that we could take. Indeed, there is even uncertainty if we stay in the EU—we do not know what the EU will be like in 10 years' time and how much more integration will have occurred. In the long term, however, our future is going to depend far more on proper investment in the education of our young people in this country, on an approach to immigration based on skills and not on salaries, on ensuring that our universities thrive, and on investing far more than we have done, even as a member of the European Union, in capital and research.

One thing I know is that I cannot under any circumstances support a no deal. My hon. Friend the Member for North Thanet (Sir Roger Gale) described on Tuesday the consequences for his constituency, and my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon) said yesterday that

“no deal would be highly irresponsible.”—[Official Report, 5 December 2018; Vol. 650, c. 939.]

Having visited the port of Dover, Honda in Swindon and Toyota in Burnaston last week, having spoken to Jaguar Land Rover, a very important employer in my part of the world, and having seen the dependence on frictionless trade, I absolutely agree.

One thing is really important. The hon. Member for Stoke-on-Trent Central (Gareth Snell) mentioned it earlier. This is about more than just a trade deal or a future relationship. This is about investing in our communities, the communities that have been left behind, and have been ignored by us—Members on both sides of the House—over the last eight years. It is time that we got real. It is time that we had something almost like a Marshall plan for the United Kingdom to put us into a position in which we can thrive and compete in the 21st century, and, to be honest, I do not think that our membership of the European Union is as important in that respect. All those decisions will be made right here, in the House.

Let me say finally that we have to work together, across the House, to ensure that whatever happens on Tuesday—and it looks very much as though this deal will not get through, at least on Tuesday—we work to secure an agreement so that we do not leave without a deal next March.

17:15:00

Ruth Smeeth (Stoke-on-Trent North) (Lab)

It is a pleasure to follow the hon. Member for Stafford (Jeremy Lefroy).

Like my constituents, I am fed up. Too many Members have felt it appropriate to play political games with real people's lives over the last three years. I voted remain, I campaigned for remain, and, like the minority in my constituency, I believed that staying in the EU was the best option for the country, but I lost. In fact, I represent the third most leave Labour seat in England. I did not lose because my constituents were thick or racist; they are not. They just disagreed with remain voters on what the future direction of the country should be, as is their right.

To be candid, I am fed up with people patronising my friends and neighbours because they do not agree with some of the voices that are currently shouting loudest. My constituents voted in overwhelming numbers to leave the European Union, and they had good reason. They feel no benefit from our membership in their day-to-day lives. In fact, given that for 40 years as politicians we have blamed Europe for decisions that we in the House could have challenged, why were we surprised that the majority of the country voted against remaining in the EU? We have a responsibility to deliver that for them, while seeking to ensure that we achieve a Brexit that works for them and the country, and, most important, protects the next generation.

I want to vote for a deal. Crashing out with no deal is simply not an option for the country or for the Potteries. I have waited patiently for the Prime Minister to deliver a deal that I could vote for. I have waited for her, or one of her team, to reach out to those of us on the Opposition Benches and ask what the world needs to look like in our communities after Brexit—to ask what we need to deliver for trade, for industry, for jobs and for people to make this work. I am still waiting; my constituents need to know.

We need detail, and we need it before we are asked to take a leap into the unknown. We need certainty on the economy; we need reassurance on our sovereignty; we need guarantees on our national security; we need to know what our immigration framework will look like; we need assurances on the immigration status of EU residents in the UK and UK residents in the EU; and we need protections for both the environment and workers' rights—but what have we got? A withdrawal Bill that speaks of fishing more than of jobs, a future plan that is not binding, and a

proposed deal that neither secures the Brexit for which my constituents thought they were voting, nor protects our long-term trading future. How offensive is it to this place that we have no guarantees on any of those issues less than a week before we will be asked to vote?

My constituents and I are left between a rock and a hard place. What is in front of us is a withdrawal deal that is, rightly, overwhelmingly about process, but the Prime Minister has failed to remember who she is negotiating for. For two and a half years we have been consumed by process. The Prime Minister has forgotten about the people who are struggling to pay the bills. She has forgotten that, fundamentally, we are here to make people's lives better. So it is no surprise that my constituents do not think that this is a good deal: in fact, fewer than 20 of them have asked me to support it.

While I am far from comfortable with the uncertainty that will exist when the Bill falls next week, I cannot in all good conscience vote for a deal that leaves so many unknowns for my constituents. I beg the Government to try again and to give us more reassurances about the next steps for Brexit and our place in the world, so that we know where we are heading when we do leave the European Union on 29 March.

17:19:00

Giles Watling (Clacton) (Con)

It is an honour to follow the hon. Member for Stoke-on-Trent North (Ruth Smeeth).

Like my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), I was a remainer, but I am a democrat and 72% of my constituents voted to leave. Oddly enough, 10 months later some 60% or so voted for me, but they did that because they thought I would be part of a Government who would deliver on their wishes.

The withdrawal agreement ticks so many of the boxes demanded by the British public and my constituents in 2016: we regain control of our borders, we protect jobs, we will no longer be sending vast amounts of cash to bolster the European budget, and we will be able to strike free trade deals across the globe—hurrah. Like many others, however, I have serious concerns about one particular thing: the backstop. I know, having spent most of the last fortnight speaking to residents in my area—I held a rumbustious open meeting last Saturday—that my constituents share these concerns.

As we all know, the Attorney General conceded earlier this week that there is no unilateral right for either party to terminate the backstop, so if no superseding agreement on our future relationship can be reached during the transition, the backstop would be activated and would subsist even if negotiations break down. So what has been the point of the last two years of uncertainty and pain if, in the final analysis, we will still be under the dominion of the European Court of Justice? That, to my mind, is not taking back our sovereignty.

That is why I have tabled amendment (d), which will make the House's approval contingent on the Government negotiating absolute guarantees within the withdrawal agreement, to ensure that a deal on our future relationship is in place, in full, before the transition ends. Such guarantees would negate the need for any backstop.

I do, of course, recognise that under article 184 both sides are required to use "best endeavours" to conclude an agreement, as far as is possible, before transition ends, but although that means that both sides must do everything in their power to reach an agreement, it does not impose a strict legal

obligation. Some might say that the transition period is not long enough to conclude such an agreement, but I disagree, and the Government concur with my stance: the Secretary of State said that it is the Government's ambition to have a deal concluded by July 2020. That will be a challenge, no doubt, but our negotiating teams have already achieved far more in a short space of time than any of us expected, or, quite frankly, have even given them credit for.

I am of the firm belief that a deal is doable during transition. After all, we all want to do a deal, on both sides of the channel. Therefore, in tabling my amendment I simply ask why we cannot have a guarantee that the agreement will be signed, thereby circumventing any backstop. Evidently, both sides are happy with "best endeavours"; in my view, however, best endeavours are not good enough, as they are not cast-iron.

I hope that colleagues will support my amendment, and should this deal fail to pass the House next week I hope that the Government will look closely at securing these guarantees. Moreover, I believe this change would also address the fears of my constituents, and those highlighted by my colleagues during this debate; and we would, at last, get this agreement over the line and find a way forward that delivers on the result of the referendum. The good people of the sunshine coast of Clacton want a good deal, so let us get this deal done and move towards a brighter future.

17:23:00

Mike Gapes (Ilford South) (Lab/Co-op)

It is a pleasure to follow the hon. Member for Clacton (Giles Watling).

In his introductory remarks the Chancellor made it clear that leaving the EU will have an economic cost, and that is right: any deal of any kind will be putting us economically as a country in a worse place than we currently have as members of the EU, its single market and its customs union, with its frictionless trade. For our financial services sector, which is so vital for our country, and especially for London's economy, this deal does virtually nothing. We therefore have a dilemma.

It is fashionable to say that the British people did not vote to become poorer, but some of the opinion polls at the moment seem to suggest that about 35% of our people are quite happy for the country overall—if not for themselves personally—to be poorer if we get some sort of great independence and sovereignty. I must point out to those Members who referred to this issue earlier that the United Kingdom is already a free, independent state inside the European Union—just as it was inside the European Economic Community—alongside the 27 other free, independent states that voluntarily associate together to make the collective rules through a democratic internal process represented by a Council of Ministers and a Commission consisting of elected Members of our national Parliaments, and by the European Parliament. We remain an independent democracy, as we have done for many years. This false comparison between the EU and the Soviet Union that is being put out by the ultra-Brexiteers really must be taken on and dismissed.

This is the worst time for our country to be leaving the European Union. If the deal is agreed, we will have a political declaration that states that we will not be in the European Defence Agency or the European Defence Fund and that we will not be in the permanent structured co-operation. Instead, rather than participating, we will be involved in some kind of indirect manner. We will not be in the room—we will not even be in the corridor outside the room—but perhaps we will occasionally be associated with things that the EU does. At this moment, the UK and France together are the most important contributors to European defence within the EU states, but we are going to move out of that. We are also going to cease to be one of the EU states involved in the co-

operation in the United Nations. We will still be on the Security Council, but we will not be there along with France as a voice for the other 27 in Europe.

This is a very bad deal, and I will vote against it. I voted against triggering article 50, and I voted for all the measures to mitigate the damage. Ultimately, we have to have a choice; we have to put this matter back to the people to decide between this deal and remaining with the deal we have now within the European Union.

17:27:00

Maggie Throup (Erewash) (Con)

Thank you, Mr Speaker, for this opportunity to contribute to what is probably one of the most important debates of my parliamentary career. In the time available, I want to explain why, if the terms of the withdrawal agreement and the political declaration remain the same, I will be supporting the Government when Parliament votes on the deal next Tuesday evening.

I personally voted to remain within the EU, but at the time of the referendum result and at the subsequent general election, I committed fully to honouring the will of my constituents, 62% of whom voted to come out and 38% of whom voted to remain. My commitment to my constituents has not changed. My decision on whether this deal is the right deal has not been taken lightly. It has been reached only after many conversations with my constituents and after reading through the many emails and other correspondence that I have received from constituents about the different formats of the deal over the past few weeks, and indeed since the referendum.

Local businesses in my constituency, such as my many upholsterers in Long Eaton, have also urged me to back the deal. They need to ensure that they can continue, for example, to buy their fabric from Europe in a way that does not affect their business, because that is their livelihood. The upholsterers in Long Eaton employ a total of more than 2,700 people and have a combined turnover of £250 million. That involves just 50 small businesses, and they are very important to the future of Long Eaton. The upholstery business is the heart and soul of that town. All my local businesses, small and large, want and need the uncertainty to end. They just want to get back to normal, so that consumer confidence will return, securing jobs, trade and continued success not just for my constituency, but for the whole of the UK.

I fully accept that the deal may not be perfect in every single way, but the very nature of negotiation means that both sides must be willing to give and take. What about the alternatives? The case for a people's vote has been advanced by some to try to overturn the decision of the British people, but that would not only be undemocratic, but risk dividing our communities even further—perhaps irreversibly. Others have argued that no deal would be an option, but although the Government quite rightly continue to prepare for it, we do not want it and should not have to go down that route, because that would affect our trade and future prosperity. Many of our constituents increasingly see a political class that has become so entrenched in our own idealistic visions of leaving or remaining that we run the risk of losing their faith in this Parliament. My appeal to Members across the House is to end the political games, reflect on the consequences of rejecting the deal and then let us unite to do what is in our nation's best interest.

I mentioned the small upholstery businesses, but I also have large businesses in or on the edge of my constituency. One business that employs 17,750 people across the UK and Ireland said to me:

“We ask that you give us the opportunity to build upon Brexit and make it a success and vote the Prime Minister's deal through to give us the clarity we so badly need.”

Other local businesses where many of my constituents work, such as Rolls-Royce, Bombardier and Toyota, echo that sentiment.

In conclusion, I know in my head and my heart that we need to support the Government for the future prosperity of our nation.

17:31:00

Diana Johnson (Kingston upon Hull North) (Lab)

Hull is full of hard-working, patriotic people. It is an outward-looking port city that trades with Europe every day. In 2016, over 60% of the city voted to leave the EU. The people voted for many different reasons, but the one that I heard the most was the feeling that our country could do better outside the EU, taking back control of immigration and much else. How could it be any worse? We have lower than national average life expectancy, lower wages, lower investment in transport and infrastructure, but higher unemployment and fewer opportunities.

As the shadow Chancellor said in his opening remarks, Hull people felt and feel ignored and left behind, so the leave campaign's promises were attractive. Why not vote for £350 million pounds a week extra for our NHS, the promised billions for our ailing railways or a renewed fishing industry? My near neighbour and a former Brexit secretary, the right hon. Member for Haltemprice and Howden (Mr Davis), promised:

“There will be no downside to Brexit, only a considerable upside.”

However, having a simplistic binary choice in a referendum for determining our relationship with a complicated and complex set of institutions has resulted in confusion. Although my constituents voted to leave the EU, there is little clarity about what they voted for, but all of them voted on the basis that they and their families would be better off.

As a democrat, I therefore voted to trigger article 50, but the preparations to leave the EU—or lack of them—and the conduct of the negotiations have been wholly the responsibility of the Government. While so much was made of the role of this sovereign Westminster Parliament, the Government have fought every step of the way against Parliament having a meaningful say on this most important issue. The Prime Minister has boxed this country and herself in by setting a rigid timetable and red lines on the single market and customs union. I cannot support the deal before us today because I sincerely believe that it will not ensure that my constituents' lives will get better—they will get worse—nor give us back real control.

The vast majority of Hull North voters who have contacted me about the Brexit deal want me to vote against it, including most leave voters. A decade after the global banking crisis and the years of resulting austerity, we now face the real danger of destabilising our economy for years ahead. The promises made to my constituents about how straightforward it was going to be have not lived up to the reality, and the Government have largely spent the past two years negotiating with themselves.

The Prime Minister described the political declaration as a “set of instructions” to those negotiating after we leave. Surely that is the weakest position to negotiate from. Specifically, there is no agreement on frictionless trade, which is vital to a port like Hull. The promised fishing deal has not been done. On security, there is no agreement to remain part of the European arrest warrant or to retain access to the EU criminal databases after 2020. Pharmaceutical companies have concerns

about access to drugs, and UK students have concerns about studying in Europe. There are concerns about visa-free travel, about university and NHS recruitment and about access to research.

We are being sold a pig in a poke. Corrosive uncertainty will continue for years, and we will not be better off. We have more years of negotiating deals and, under this agreement, we will be taking rules from the EU. Rather than being boxed in, Parliament now needs to look at all the options. We have stood alone as a country before, but our country has survived and thrived by building alliances around the world, and this deal does not do that.

17:35:00

Sir Hugo Swire (East Devon) (Con)

No one ever said it was going to be easy. I never shared the lofty visions of the founding fathers of the EEC, the EC and the EU—Schuman, Adenauer, Monnet and others—but I totally understand where they were coming from in post-war, post-consensus Europe and what they were trying to achieve. I never shared the vision of wanting an ever closer set of federal European states or a European army. I am pleased we were awkward members of the club, as de Gaulle always knew we would be, and that we maintained our own currency, and so on.

We had a failure of understanding and a failure of negotiation when my friend David Cameron, the former Prime Minister, went to try to persuade Chancellor Merkel that he needed to be given something to bring back to the United Kingdom. She did not quite understand his predicament.

None the less, I voted to remain because I believed that the EU is immeasurably stronger with the United Kingdom as a moderating force. I questioned as to who would benefit from a weakened EU, and I still maintain that that is Russia. I have no doubt that people living in Sweden or the Baltic states would share that view. As a former Northern Ireland Minister, I did not understand how we could address the issue of the Northern Ireland border, which I was sure would come up.

My constituents in East Devon, by a small margin, voted to come out of the EU, and I respect that view. Nationally, 1.3 million more people voted to come out of the EU, and we must respect that view. I have been perturbed and variously alarmed and horrified by the way our negotiations have been conducted over the past few months. How we could have agreed to pay a sum of up to £40 billion without securing an agreement I do not know, and I hope my right hon. Friend the Secretary of State for Exiting the European Union will look carefully at the idea of paying the EU with a Brexit bond, linked to the EU's co-operation with us, to ensure our economy actually prospers.

Normally, as a former remainer, the House would expect me to endorse the withdrawal agreement in the vote next week, but I am currently unable to do so because of the Northern Ireland protocol. I cut my political teeth in Scotland as a Conservative and Unionist candidate, as did my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), who made such a good speech earlier, and as did you, Mr Speaker. I served in Northern Ireland as a Northern Ireland Minister. [Interruption.] You are now denying it, Mr Speaker, but I think you did fight a Scottish seat, unless I am entirely wrong.

Mr Speaker

Order. Stop the clock. I did in 1987, but I have not the slightest recollection of expatiating on the matter of the European Union and, by definition, I certainly could not have done so on the matter of the withdrawal agreement.

Sir Hugo Swire

I did not say you did. I was just suggesting that you cut your teeth there, and I was right.

From all my experience in Northern Ireland, I know the nervousness of the loyalist community about how it is often treated by the Northern Ireland Office and the Foreign Office, both institutions in which I have served. We cannot possibly place part of the United Kingdom in a position that is different from the rest. It would be an appallingly dangerous precedent.

I beg my right hon. Friend the Prime Minister, whom I salute for even just standing up at this stage, to try to get us some movement on that part of the deal. If she does, she will find that there are those like me who will feel able to support it. If she does not, she will find herself short of votes next week, as there are those of us who put the Union and the integrity of the Union above all other matters.

17:39:00

Steve McCabe (Birmingham, Selly Oak) (Lab)

I want to make a contribution to recognise the wishes and fears of people in Selly Oak who took part in the referendum, and to acknowledge all those who have contacted me offering sincere advice, opinions and sometimes threats about how I should vote. I also want to thank everyone who has taken part in my surveys as I have attempted to understand this in the context of the needs of my constituents, a majority of whom voted to remain—in fact, two wards voted to remain and two voted to leave. I have always accepted that people took part in the referendum in good faith and we should try to acknowledge the overall result, even if it is extremely uncomfortable in a constituency such as mine, but what I cannot accept is that people voted for the deal that the Prime Minister is now trying to represent as the will of the British people.

We are much better informed now about the implications of Brexit than was the case during the referendum. We also know more about the behaviour of the leave campaign, which casts a shadow over the result. I admire the Prime Minister's stamina and do not envy her the impossible position she was bequeathed, but the reality is that her offer is the deal that does not deliver. She promised to make us stronger, but it will make us poorer. She promised to end free movement but expects us to vote without even having had sight of her immigration plans. She promised co-operation in the fight against crime and terrorism, while opting out of vital security arrangements. The answer to every question is the political declaration, which is a fudge—the very kind of fudge unacceptable to all those who want to leave. The reality is that we will continue to be subject to the European Court of Justice but lose our right to participate and have a say. We will also lose our access the Schengen database.

This deal may give the illusion that we have left, but every leaver knows that Brexit does not mean Brexit under this deal, and every manufacturer and exporter must realise that this is not the frictionless trade they are seeking. It is a political declaration where the obligations have yet to be addressed—in other words, it is without guarantees, on jobs, exports, the arrangements for businesses beyond the transition period, higher education, research and health. It is a real pity the Prime Minister spent so little time trying to build bridges across this House and so much time trying to placate the extremists and shoring up the interests of her purchased Democratic Unionist party majority. We have reached the stage where we can have no deal, a very poor deal or a genuine review of what people really want. I am not going to vote for this deal, because it does not give any guarantees to my constituents. Leavers do not really leave and they will be poorer. Remainers end up as associate members of a partnership where they once had much better rights and deals, and they will end up paying and taking rules without getting anything like the same in return.

I think the Prime Minister ought to set up an all-party commission. Let those of us of good will who want to work together to see whether there is something we can salvage from this do so. We must stop telling people that this deal delivers where it does not. We must stop pretending that the referendum was some definitive judgment. We must stop pretending about the manifesto commitments. Let us try to get a deal, and then put that to the British people and let them decide.

17:44:00

Colin Clark (Gordon) (Con)

I rise to remind people that it was only two months ago that there was a debate on “Legislating for the Withdrawal Agreement”, when I cited the then Secretary of State, my right hon. Friend the Member for Esher and Walton (Dominic Raab), and his ambition for

“a smooth transition to a comprehensive future economic and security partnership for business and citizens”.

It was admirable and convincing, and it recognised the 2016 referendum. That day, I argued that we should look for a free trade arrangement—perhaps Canada plus—because I believed that that was deliverable. The Prime Minister said that she was more ambitious than that, and we now have a different deal before us.

Industries in my Gordon seat have embraced Brexit. They have prepared for change and considered the solvable problems of Brexit, and they have done so in good faith. Today, we can consider supporting the withdrawal agreement, fundamentally because of good faith.

In the Treasury Committee hearing yesterday, I asked the Chancellor whether, had we prepared in 2016, we could have had regulatory and certification preparation in place for WTO rules. That, at least, would have given us a realistic backstop from which to negotiate.

The industries in my constituency—the oil and gas majors, which employ 280,000 people, plus farming, the food sector, tourism and the financial and service sectors—need us to behave like grown-ups. They need us to recognise that they need a deal that works for businesses and jobs.

The Bank of England has run comprehensive stress testing, which the Chancellor recognised earlier. The good news is that under every circumstance and every scenario, our financial system is safe and robust. As I said to the Chancellor earlier, in future negotiations we should be extremely robust with the EU.

The stress tests were not forecasts. I have heard many Opposition Members say how damaging Brexit will be to our GDP, but I would like to remind them why this country is the second highest destination for foreign direct investment: it is among the top 10 freest markets in the world and it has a legal system and rule of law that mean that people want to be based here. In the first half of 2018, only China had higher levels of FDI than the United Kingdom; we were in front of the US, Singapore, Hong Kong, Spain and Holland. This is a country in which people are investing now and will invest in future.

What are the upsides if we get an agreement with the EU? The foreign exchange has discounted the pound so significantly that we could see a currency bounce. The stock market is falling again today because of the concern about no deal. As a businessperson, I recognise that concern. There is pent up investment in the system of potentially hundreds of billions of pounds, because companies have held back.

Fundamentally, I can support this deal because I support the Brexit vote. Being a Scot, I was involved in another referendum. Opposition parties seem unwilling to recognise that the people have spoken. I believe, democratically, in what they have said.

Giles Watling

Does my hon. Friend agree that yet another referendum would cause greater degrees of pain, uncertainty and delay, when what we need to do is move on?

Colin Clark

My hon. Friend is absolutely right. That is particularly true in Scotland, where the SNP rejected the result of the independence referendum and said that it would call another. We do not need that uncertainty and we do not need our people back at one another's throats; we need some sort of stability and to be able to move on.

Fundamentally, this comes down to good faith. In the words of the Attorney General:

“This risk must be weighed against the political and economic imperative on both sides to reach an agreement”.

I absolutely agree with that. We should not listen to the siren voices. Let us not cast ourselves on the rocks. We should be a confident country. Scotland and the whole Union demands better. The United Kingdom demands leadership, backbones and guts. Frankly, if people are faint-hearted, they should leave the stage. I will show good faith, but there will be an enormous price to pay if we are being duped. Let us win 4-3 and deliver Brexit. I will support the Government next Tuesday—not out of blind faith, but for the good of this country, the United Kingdom.

17:48:00

Mr Tanmanjeet Singh Dhesi (Slough) (Lab)

It is an honour and a privilege to participate in such an historic debate. Given the time limit, I shall dive straight in. What an utter disgrace it is that the Government tried to hold back from Parliament their legal advice on a decision of such magnitude. We now know why. On the backstop, the advice clearly shows that Northern Ireland has been sold out. The Government have lost the trust of not only the DUP, but the wider British public. They have reneged on their solemn promise. The House had to force Ministers to change their minds and release the legal opinion. What an utterly ridiculous situation.

This whole Brexit process has been blurred, botched and bungled from the very start. Has ever so much diplomatic and political capital been expended for so little result? With every passing day, with each resigning Minister and with each international snub and rebuff, it has become ever clearer that the Prime Minister and her team—I use the term lightly—are not up to the task. Her negotiation tactics, as has been illustrated by many Members today, have been to appease the hardliners within her own party. I need hardly remind the House that the craven acquiescence on the part of her predecessor is the reason why we were landed in this entire mess in the first place. Instead of patiently assembling a cross-party coalition of support for her plan, the Prime Minister has created division and discord, the social and economic consequences of which will echo long after the votes have been counted. This issue has been exercising many in my constituency who are very, very anxious indeed. Since the publication of the agreement—up to yesterday evening—I have received scores of emails from Slough constituents. More than 94% implore me to vote against the Prime Minister's deal, which is fairly emphatic.

I am a supporter of the EU and I wanted to remain in the EU. Now, I want us to have a very close and collaborative relationship with our neighbours. The world's economy has never been more interconnected and more dynamic, which is why, as nation states, we must form alliances to ensure that we have a very strong and stable relationship going forward—hopefully a lot more strong and stable than this crumbling Government. Now, after two years, we face a much more dangerous situation and, of course, it is a matter not just of macroeconomics and geopolitics, but for real families, real businesses and real working people.

When I meet business leaders in my Slough constituency they tell me that businesses need a stable economic environment, a backdrop, but that this withdrawal agreement leaves businesses facing years of uncertainty. When I talk to trade unions in my Slough constituency, they tell me the same thing: the Government's deal tears up decades of negotiated deals around workplace safety and conditions. Many Government Members opposed the European social charter in the first place and would happily see it scrapped. The Government's own analysis shows that the economy will be 3.9% smaller. Many of us cannot afford a hard Brexit. I fully support the amendments that have been tabled. I cannot support the Government's withdrawal agreement. The Government have failed spectacularly to deliver Brexit, which is why they must stand aside and hold a general election.

17:52:00

Lee Rowley (North East Derbyshire) (Con)

Mr Speaker, if you had said to me that, a year and a half after I was first elected, I would be standing in this place in order to rebel against my Government I would have been extremely surprised. It is testament to the problem that we have in front of us today and the gravity of the issues with which we are dealing that that is exactly what I intend to do on Tuesday.

We have a decision to make. There is too much calculation in this place—too much overthinking. We are obsessing about single commas when entire paragraphs do not work. This deal does not work from a trade perspective; it does not work from a law perspective; it does not work from a backstop perspective; and it does not work from a money perspective, and I cannot support it.

Like so many of my colleagues in this place today, I have nothing but admiration for what the Prime Minister has done over the past two and a half years in order to try to get us to this place today, but hard work is not an end point in itself, resilience is not an output, and stamina is not a strategy. We must understand the proposition that is in front of us, and that proposition, in its current form, is very wanting.

One of my very close friends in this place, who is not here right at this moment, said to me a few days ago, "I did not come to this place to make my constituents poorer." Neither did I, so we can both agree on that prospectus. But when we move all the facile, nonsensical debate about estimates out of the way, some of which has been touched on in a largely good-natured debate today, we are actually talking about what is good for our country in the long term—the next five, 10, 15 and 20 years.

I do not want to make my country poorer, but I know what will make it poorer: the inability to sign meaningful trade deals. It is the inability to be flexible and take advantage of the global growth outside the European Union. I know another way that my country will be poorer if this deal goes through. It will be poorer from a democratic perspective. I represent a constituency that voted 63% to leave, and I cannot go back to my constituents in Clay Cross, Killamarsh, Eckington and all the other villages that voted overwhelmingly to leave, and say that this deal delivers Brexit. It does not.

I disagree with this deal. I disagree with it because of where we have come from, because it is a failure of negotiation. I disagree with it because of where we are, because it is a failure of nerve. I disagree with it because of where we are going; it is a failure of ambition. Stop this deal. Stop this discussion. Have confidence in our country, move us out from the shadow we are under and understand that we have a much brighter future if we want to grasp it.

17:56:00

Dame Louise Ellman (Liverpool, Riverside) (Lab/Co-op)

In June 2016, 73% of my Liverpool, Riverside constituents voted to remain—the European Union has been pivotal to Liverpool’s remarkable transformation—but many people across the country voted to leave, believing that it would make them better off. And now, two years on, it is clear that they were sold a false prospectus.

We are now urged to accept the deal in front of us, but beyond the transitional stage, there is no certainty. There is no deal. It is a political framework, urging the parties to work together in good faith. There is no certainty about frictionless trade, which is absolutely essential for just-in-time businesses and people being able to get the medicines they need at the time that they need them. There is no certainty that there will be any trade deal with the EU, there are no trade deals with the rest of the world agreed or anywhere near agreed, and there is a massive cut to financial services—a 6% hit—with effects for pensions and insurance. So what should we do?

Accepting this deal would be highly irresponsible. Leaving without a deal—the Government’s alternative—is inviting disaster. There could be more negotiation, without the Prime Minister’s red lines. If the House can agree a way forward, that could be explored, but it could be problematic and whatever solution is reached will be worse than the current deal we have as members of the European Union.

Alternatively, we could go back to the people and tell them the truth, which is that we cannot leave the club and keep all the benefits; that is mission impossible. We are told that people will be angry if they are asked for their opinion again. I think they will be angrier if we vote knowingly to make them poorer and they then face even more rising prices, fewer jobs and less money for public services. Surely we should give people the option to remain in the European Union with the knowledge that we now have. It is time for a referendum. It is time for a people’s vote. Let the people decide.

17:59:00

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con)

Reflecting on the recent debate in this House and in the country, I wish to open with the words of Sir Winston Churchill from 1934:

“all down the centuries, one peculiarity of the English people...has cost them dear. We have always thrown away after a victory the greater part of the advantages we gained in the struggle. The worst difficulties from which we suffer do not come from without. They come from within...from the mood of unwarrantable self-abasement into which we have been cast by a powerful section of our own intellectuals. They come from the acceptance of defeatist doctrines by a large proportion of our politicians...Nothing can save England if she will not save herself. If we lose faith in ourselves, in our capacity to guide and govern, if we lose our will to live, then indeed our story is told.”

Sadly, what has characterised these negotiations has been exactly that spirit. The Government have approached Europe as a supplicant, accepting a series of conditions that have led inexorably to this place. At the heart of that lies the backstop, but I will not rehearse arguments that have been well echoed this afternoon about why it simply does not work. Our own Ministers, the Irish Government, and the EU have all made clear that under no circumstances will there be a hard border in Ireland. If this is a prison, it is one into which we will lock ourselves if we sign up to this deal.

Despite the Government's best efforts to convince us otherwise, the EU clearly wants us in the backstop—why wouldn't it? It would have total control of our trade and customs policy; it would have our £39 billion. It would have ensured that we cannot out-compete it through level playing field provisions, and it could offer unilateral access to our economy and its trade negotiations with third countries. That must be rejected. It may be that our doing so will finally prove to the European Union that, as the Prime Minister long insisted, no deal is better than a bad deal. I continue to believe there is a better deal to be done, but we must face the possibility that that may not be possible.

In such a case, I am clear that we should leave on 29 March next year on World Trade Organisation terms, in accordance with the European Union (Withdrawal) Act 2018. I do not say that lightly. It will require courage and resolution, as well as a dynamic policy response that should include exciting ideas such as free ports. For reasons that are bewildering to me, the Government have failed to initiate serious preparations for that scenario when there was good time to do so. That was not due to negligence; rather it was a conscious policy unless—God forbid!—the Europeans understood from our making such preparations that we really were resolved to leave in earnest. That has been a lamentable failure and must change now, for every day is of value.

That must be accompanied by a wider change of policy. If the deal is rejected by the House, as I hope it will be, the ghosts of “Project Fear” must be excised. They have offered bad counsel for far too long, seeking always to reduce the path of negotiation to a minimalist and apologetic legal separation, rather than a great nation setting forth into the world.

My final words are to those colleagues who seek to prevent a clean Brexit through amendments tabled to that effect. I say simply that they should think well upon it, because without a clean Brexit we truly would be hostages to fortune, choosing only between the Scylla of a bad deal and the Charybdis of a second referendum, and that latter scenario would do untold damage to people's faith in democracy. People in forgotten parts of Middleborough and East Cleveland voted to leave. They still want to leave, and they want to leave properly, preferably with a good deal agreed in honour, but if necessary, by trusting in our strengths, and with resolve to succeed as a global free-trading powerhouse.

18:03:00

Susan Elan Jones (Clwyd South) (Lab)

It is a great pleasure to follow hon. Members in this debate, and like many of my constituents I am extremely worried about what has developed. We are all practically certain that the Prime Minister will not get her deal through next week unless something quite extraordinary happens, and I am aware that when I vote against that deal, I will vote against it with some who are doing so for very different reasons. I have no truck with the ghosts of Brexit Secretaries and Foreign Secretaries past who act as commentators and who, despite the sunny uplands of which they speak, refuse to accept that where we are now has anything to do with them. As I vote, I will have no sympathies for them whatsoever.

Today's debate is on the economy, and I believe that our economy and jobs must come first. I have had many emails, letters and phone calls from constituents, and they are worried. I, too, am worried, because according to the Government's economic forecasts, the UK economy will suffer under all forms of Brexit. When a body as prestigious as the National Institute of Economic and Social Research tells us that the Prime Minister's deal, versus staying in the EU, would leave UK domestic product falling by £100 billion annually, that is a concern.

To those who think that such projections are no more accurate than reading tea leaves, let us go on to some real figures. The economy is down from being the fastest growing in the G7 in 2015 to among the slowest now, with only Italy slower. When Julian Jessop, the pro-Brexit chief economist of the Institute of Economic Affairs, admits that the UK economy has probably grown more slowly due to additional inflation prompted by sterling's fall, that concerns me too. It also worries me when the TUC rightly makes the point that, with the PM's deal, even during the transition period, workers would see a reduction in their rights: the UK Government have suggested that new rights with an implementation period after the transition would not be brought forward in UK law.

My constituents and I are concerned. As Carwyn Jones, Wales's First Minister, has rightly noted, Wales receives £600 million a year from the EU and we export 60% of our goods to the EU. I am very concerned and cannot support a deal that would make my constituency of Clwyd South in north Wales, Wales and the UK poorer. In the words of the former universities Minister who resigned from the Government on this issue,

“the brutal negotiations we will go through will make us poorer and less secure”.

I believe that the Chancellor is right about one thing: all this has left us a very divided nation. In my postbag, I hear from people who voted leave and who voted remain in 2016. To be honest, I cannot represent all of them adequately. So I will say this. There are 55,000-plus people of voting age in my constituency. On Tuesday, I will have the right to take part in a meaningful vote. I would like each of my 55,000-plus voters to have the same right in a people's vote. I want that not just for the constituents of Clwyd South, but for every single voter across Wales and the UK. Let them all have a meaningful vote now that we have a meaningful proposition. Let the people's voice be heard. If we cannot get a general election, that must be our course of action.

18:07:00

Richard Graham (Gloucester) (Con)

I want to argue for the inevitability of imperfection, the lack of credible alternatives, the value of compromise and, above all, the benefits of safeguarding the interests of our constituents.

Let me start with the deal and its imperfections, many of which have been listed by colleagues around the House. Above all, there are concerns that the backstop arrangement to prevent a hard border on Northern Ireland could lead us into an indefinite purgatory of neither in nor out, with rules from the EU governing aspects of trade between Great Britain and Northern Ireland. If the Government can give further reassurance on that point, many colleagues on both sides of the House will clearly be relieved.

But the deal does something else: it balances honouring the result of the referendum, looking after citizens and their rights, and not damaging business, jobs or the security of our nation. For those of us who voted remain—because, as I wrote at the time, the short-term risks outweighed the potential longer-term benefits—and those who voted leave, to bring back control, the deal mitigates the risks,

gives certainty to people, trade and security, and allows us the chance to shape opportunities that may come forward in the next stage of the negotiations on detailed trade and customs arrangements.

For my constituency of Gloucester, with our engineering and manufacturing heritage, aerospace and nuclear interests, our growing cyber sector and the contribution made by our academics and health specialists from the European Union, this compromise may not look heroic, but it is practical.

Let me make three other key points. The first is that flaws in negotiations are as inevitable as the weathered stonework on Gloucester cathedral. As Churchill said,

“democracy is the worst form of Government except for all those other forms that have been tried from time to time”.—[Official Report, 11 November 1947; Vol. 444, c. 207.]

So it is with this deal. Those who criticise the deal because it does not satisfy them, either because it does not have a close enough relationship with the EU or is not distant enough from the EU, are effectively offering one of three alternatives: no deal plus WTO, a Labour renegotiation, Norway-plus, or a second referendum. Let me brush aside, I am afraid, the concept of a Labour renegotiation, as this comes from the party whose only position has been not to have a position—resolute only to be irresolute. On a second referendum, this would be the only genuine betrayal of the promise made to every household before the referendum: “What you decide, we will implement.” On Norway-plus, however defined, which could become a place of refuge if this deal were rejected, the House should be in no doubt—it is not a good deal. We would pay a lot to be a rule taker and never have an independent trade policy.

For those of my colleagues representing seats from Uxbridge to North East Derbyshire who rail against the deal, the challenge is this: show me your better deal, and do not risk what you wanted—Brexit—by now demanding everything from a negotiation that will never be achievable.

Our constituents want to see this deal done. They want us to move on and get back to what they want to focus on: better care, less knife crime, easier transport, good broadband and excellent public services. In the civil war—

Mr Speaker
Order.

18:11:00

Sarah Jones (Croydon Central) (Lab)

Following on from the hon. Member for Gloucester (Richard Graham), and at this late stage, having sat here for many hours waiting to be called, I cannot help but be reminded of Oliver Cromwell’s words on dissolving the Long Parliament:

“You have sat too long here for any good you have been doing.”

Nevertheless, we carry on.

For MPs like me who joined this House in 2017, there has always been the backdrop of Brexit and the one great matter that lay ahead after the referendum: how to respect the result in a way that does not trash the economy but does bring the country back together again—that unites our nation as it was so memorably in 2012, when the world admired our Olympics and we all glowed with pride at

what we had done and the country that we had become. That feels like another century, not six years ago.

That is all because the Prime Minister has squandered every chance she had to make a Brexit that brought us together again. She came to power, let us face it, on a wave of good will because she stepped up when others did not—but that has now evaporated. In Croydon Central, hundreds of people have sought me out to tell me their views, and just 6% of them support her deal. Meanwhile, the burning injustices that fired up many leave voters still burn, hotter than ever. This is a deal that the Government know will make us less well off, and yet they have ploughed on regardless. Parliament itself has been ignored and infantilised during this process. Appearances at the Dispatch Box or in Select Committee have been used as a kind of parliamentary Calpol to keep the babies quiet. This is all on her. She promised too much, prevaricated too often, and listened too little. If it was up to the Prime Minister, we would not even be here having this debate and holding the Executive to account, but that is what we are here to do.

We have a national picture of stagnating growth and tumbling investment. What this Government have done, and what this deal will carry through, is to hollow out the drivers of a strong economy. A strong economy needs to be incubated in certainty. This Government have overseen a £22 billion drop in business investment compared with pre-Brexit trends because of their chaotic negotiations, and this deal simply offers more uncertainty. A strong economy needs world-class infrastructure to rebalance growth and stop our busiest cities grinding to a halt. This Government have not tackled any of the problems of failing rail companies and suchlike, and this deal threatens future infrastructure funding and delivery. A strong economy needs people with the right skills and education. This Government have cut billions from schools and colleges, and this deal jeopardises important programmes like Horizon 2020 and Erasmus. A deal that resolved those issues is one I could happily support, but I cannot support a leap into the dark for my community and my local economy.

Our first priority must be to drive a stake through the heart of any notion of choosing a no-deal Brexit. The 15,000 businesses in Croydon are terrified of no deal, and we cannot shrug off plans to commandeer ferries, stockpile medicines and put the Army on the streets. Parliament must now step up. The Executive need our guidance, even if they will not ask for it. Our economy will be defined for decades to come by the decisions we make in the coming days. We can move towards the certainty that our economy needs to attract investment and be a global player, and towards a closer, more stable relationship that keeps standards and rights high and our sights higher. We start by voting down this deal.

18:15:00

Andrew Bowie (West Aberdeenshire and Kincardine) (Con)

I rise to speak as someone who lived and worked in Brussels, in the EU bubble; whose wife and, by virtue, nieces are EU nationals; who voted remain in June 2016; and who represents a constituency that voted convincingly to remain in the European Union.

For quite a long time post the referendum, I wrestled with my conscience over whether supporting the Government's decision to pursue Brexit was the right one and true to what I believed. Let me be clear: I never for one moment doubted that this country could survive and thrive outwith the European club. This is the fifth largest economy in the world. We are an enterprising, dynamic, inventive and confident nation—a Union of nations of near unparalleled continuing strength and influence, with interests and allies far beyond this continent. The point I wrestled with was why it

should have to choose between being prosperous within or outwith the certainly imperfect European Union.

The simple fact that I came to realise pretty early on, which must be remembered by those who argue for another referendum or for Brexit to be halted in some way, is that the decision was taken in a people's vote—the biggest democratic exercise in the history of this country. The decision of the British people, whom we are all elected to serve, was to leave the European Union.

I understand how many of my colleagues feel, especially on the Government Benches, and I know that many of my closest friends and colleagues are struggling to come to a decision on how to vote next Tuesday. They are wrestling with their consciences, as I did, and I know they are doing so to come to a decision that they believe will be in the national interest.

It was John F. Kennedy who said:

“a nation that is afraid to let its people judge the truth and falsehood in an open market is a nation that is afraid of its people.”

The people judged—the people voted—and now we must honour the result of that judgment and leave the European Union. It is up to us to implement that decision, and our duty is to do so in a way that is supportive of business and will cause as little upset to the economy as possible.

As the Member of Parliament for West Aberdeenshire and Kincardine—as a Scottish MP—I back the agreement brokered between Her Majesty's Government and the European Commission. I do not do so lightly. I do so because I believe that it is the best outcome for business, for my constituents and for Scotland. I do so not because it is an easy choice, but because I believe it is the right one and in the national interest.

This deal is supported by the National Farmers Union of Scotland, the Scotch Whisky Association, the Scottish Chambers of Commerce, CBI Scotland, the Scottish Fishermen's Federation—which knows a little bit more about fishing than some Members on the Opposition Benches—and Sir Ian Wood, who said:

“I frankly think we do need to move ahead—it's what you hear most business people saying...I think the proposal that's on the table...is workable. I think it is better than we have—we're out of Common Market membership, but we're maintaining some of the advantages.”

It would be a great dereliction of duty on my part if I did not listen to those voices.

Richard Graham

My hon. Friend is making a powerful case. Does he agree that representatives of different sectors in Northern Ireland—whether the retail industry, manufacturing or services—have also been very supportive of this deal, and that should be taken into account?

Andrew Bowie

I thank my hon. Friend for his intervention. I recognise that point. However, I do not think it is incumbent on me to speak on behalf of Northern Ireland; I will leave that up to Members elected to this place from Northern Ireland. I am speaking on behalf of my constituents and what I think is in Scotland's best interests.

Scottish MPs have a duty to do what is in the best interests of the Scottish people and the Scottish economy. I say to my colleagues from Scotland on both sides of the House that it is now time to stand up and be counted. For the sake of our economy and this country, we have to back this deal, back the Government and move on together as we continue to build a Britain that is united, stronger and genuinely fit for the future.

18:19:00

Christian Matheson (City of Chester) (Lab)

I was and remain a very firm remainer, but nevertheless I voted to activate article 50 because I wanted to respect the result of the referendum. After that, my responsibility is to secure what I believe to be the best outcome for the United Kingdom and my constituents. However, I must say that the more I hear about not just the lying in the referendum, but the manipulation of data and the cheating—and now allegations of foreign involvement—the less I respect it.

We hear that the Prime Minister is deserving of our respect for negotiating the deal and the continual promoting of it in the face of certain defeat. Again, for me, there is nothing to be respected about knowingly and deliberately driving the country off the edge of a cliff. On the Government's own assessments, this deal will make the UK worse off and our people less prosperous and less secure. I cannot praise the Prime Minister for what amounts to a kamikaze approach in the face of clear evidence of impending economic damage—particularly to our manufacturing sector, with the lack of certainty over the hopes of frictionless trade.

From the outset, the Prime Minister has muddled and misrepresented. When she called the snap general election in 2017, she stated that the country was united, but Parliament was divided. She was entirely wrong: the country is more divided than ever under her leadership. After the general election, she might have reached out across the House to find support for the least damaging form of Brexit, although every form of Brexit is damaging. Instead, she chose to tack to the hard right and seek the sole approval of her own Brexit fundamentalists in the ERG. Yet these extremists will never be and have never been satisfied. They can never be thrown enough red meat, as John Major himself discovered.

This left the Prime Minister high and dry, clothed solely in the meaningless soundbites and slogans that have been the hallmark of this process. Indeed, I remain unclear about the point at which her slogan “No deal is better than a bad deal” morphed into “A bad deal is better than no deal”. A bad deal is what we have now. It makes us follow rules without having a say on those rules. Again, I am tempted to say that that would always have been the case if we were going to leave the EU, but still wanted to trade into that market while meeting the standards that that market demands.

There is no solution in the agreement to the question of the Irish border, largely because there is no solution possible that respects the Good Friday agreement aside from the UK remaining in the EU. We are told that technology will provide a solution, but as usual this is an empty soundbite. There is no technology available now, and no clue about what it will look like in the future. Technology may one day find us a cure for cancer, but that is no reason for me to start smoking now. Hon. Members will need to decide which is more important to them—the continuing peace in Northern Ireland and maintaining the integrity of the united Union, or leaving the European Union—because, certainly under this deal, we cannot have both. Business sectors have publicly stated their support for the Prime Minister's deal, although leaked CBI emails demonstrate their true feelings, but all this deal will offer is two years of stability, during which they could up sticks and move to another part of the European Union.

Therefore, we must reject the false choice of the Prime Minister's deal or no deal and start to chart our own route away from the ideological choice of Brexit. This is a simple one: do we want to be aligned with Europe, with its basic decent standards on food safety, consumer protection and rights at work, or do we try instead to align ourselves with deregulated, privatised Trumpist America? That is a simple choice and those are the only two options on the table.

The Secretary of State for Environment, Food and Rural Affairs (Michael Gove)
Nonsense!

Christian Matheson

It is absolutely the case and I will not take any heckling from the right hon. Gentleman.

We need to address concerns about free movement and the exploitation of migrant labour by bad employers, but there should still be an option to remain within the European Union and negotiate a much better deal than David Cameron would ever have come back with.

18:23:00

Vicky Ford (Chelmsford) (Con)

I have seen the EU at first hand, with its bureaucratic, one-size-fits-all approach that can make it feel so out of touch. If those other EU leaders had shown more empathy for David Cameron in his negotiation, perhaps we would not be where we are today. However, I have also seen the EU doing good. I helped to negotiate the changes we needed to international banking law after the financial crisis, the changes we needed to international gun laws after those terrible Paris attacks and the massive fund for science and research, and I even helped to end mobile roaming charges.

I campaigned for remain in 58 Westminster constituencies, in 40 public meetings, in radio and TV debates and in six counties, so I think I remember what people were told. People were told their vote mattered and the result would be respected, and we should respect that vote. A second referendum is not the way forward. I think it would be even more divisive and no more decisive.

I gave three reasons for voting remain: the single market, security and science. The EU is our largest trading partner and many people's jobs depend on that trade with the single market. New trade deals with other countries will help, but leaving the EU with no deal poses a huge risk. Every time I said that, the leave side said, "Don't worry." They promised we would "get a deal" because "the Germans want to sell us their cars." When people voted leave, they were told they would not be voting for a no-deal Brexit. The withdrawal agreement helps real businesses to avoid real cliff edges and gives time to finalise the trade deal. The future framework offers the potential for the deepest trade deal that the EU has ever offered and the deepest partnership on security. As for our scientists, it allows them to continue to participate in the international networks they need.

Some colleagues say we should opt for other models, but Norway leaves us a rule taker on services as well as goods, and the EU and the UK often have different priorities on services. Norway means delegating regulation of financial services to the EU. It hands over the keys of the Bank of England to Brussels. It does not work for the UK unless an alternative option for financial services is given. A Canada version would result in borders and would not provide the frictionless trade our advanced manufacturing sectors need.

Then, of course, there is the plan from the Labour party: a "close" deal with the single market, but without the competition laws or state aid rules. Mr Speaker, I am a Harry Potter fan, but the plan promised by the Labour party is fantasy fiction unicorn land.

I grew up in Northern Ireland. I am a Unionist. There are concerns about the backstop becoming permanent. To me, however, that is a legal risk. It is not a practical risk. A permanent backstop is not in the EU's interests and it would be challenged in the European courts. I know other European leaders are watching this debate closely and I hope they are considering what more they could do to help to address this concern.

There are three options: this deal, no deal or no Brexit. Because of the lives and livelihoods of my constituents I was chosen to represent, I will be supporting the Prime Minister's deal.

18:27:00

Jim McMahon (Oldham West and Royton) (Lab/Co-op)

It has been a real privilege to hear the contributions by MPs today. We have got a real sense of just how different the issues are in each of our constituencies, just how varied our nation is and, in some cases, how divided our nation is. What there is absolutely unity on in this place is that this deal is nowhere near good enough. It is certainly not a deal that I am going to vote for when I am casting a vote for the people who live in Oldham West and Royton. That is not why I have been sent here. I have been sent here to try to secure the best possible economic and social advantage for the people I represent and live among in my community.

I have to say that throughout the negotiations no effort has been made to reach across and create a consensus—not necessarily about the future relationship with Europe, although that is important, but to address the underlying tensions that led people to vote leave in the first place. Those include the mass deindustrialisation that left many communities without the decent, well-paid and secure jobs to provide a future for themselves and their families; and the hollowing out of public services that has meant people have been left with 1% of the cake and are now fighting for the crumbs among increased competition. They cannot get a decent house. They are fearful of the education in the local schools. They cannot get access to the local GP or hospital. Why? Not because of Europe, but because of deliberate, targeted choices by the Tory Government who then wonder why they lost the EU referendum. That was a shock. That is why, in the document published by the Government that was sent to every house, there was no mention of what an alternative deal would be. There was lots of concern and caution applied, but no alternative was offered.

Another thing missing in that document was a single mention of Northern Ireland—not a single mention of Northern Ireland in the official booklet that went to every household in this country. Let us be honest: had it not been for the foolish calling of a general election in 2017, we would not even be discussing Northern Ireland today. It would be an afterthought. The only reason it is important now is because the Tories need the Democratic Unionist party to secure them in Government—and that has now completely fallen apart. Thank God for the people of Ireland—both the Republic and the north of Ireland. We are now discussing this. We have seen such a cavalier approach to that hard-won peace in Northern Ireland for every community who lives there. It seems to be like a token that can be traded away, as if it is not important. I really wonder what condition this Parliament is in if it is so willing to cast aside those legitimate issues.

When I speak to people in Oldham about the things that matter to them, they want to know what the future holds for their communities and families. Is that not the cruelty of Brexit so far? At a time when we needed leadership and for the Prime Minister and the Government to say, "This is what Britain can be," there has been nothing but absolute soundbites. Who has it been left to? Nigel Farage, Boris Johnson and Jacob Rees-Mogg, claiming to be the voice of the working class. How ridiculous is that? The only time you see them lot on an estate is when there are hunting rights at

stake. Meanwhile, communities are being left and exploited and they will be exploited again unless this Parliament gets a grip.

I voted to trigger article 50 because I respected the referendum, but the way that this has been handled has been a national disgrace. The Prime Minister will lose this vote. She has not been able to unify this House, so what lessons can be learnt? The first, fundamental lesson is, “Don’t divide, but unite. Reach across the Chamber and secure a better deal.” I believe that there is a better deal, but I tell you what: it requires better negotiation than we have seen so far.

18:31:00

Karen Lee (Lincoln) (Lab)

My constituency of Lincoln voted to leave the EU, while I voted to remain, but we are united in fighting for a better future for Lincoln outside the EU. I sincerely believe that there is a Brexit deal that will benefit my constituents and Lincoln’s business and tourist communities—a deal that protects jobs, the economy and our rights. We need a transitional period based on the same basic rights that we have now—a single market and a customs union with the EU—but to ensure that we have a sustainable, prosperous economic future, we must negotiate a new comprehensive UK-EU customs union to ensure that we have no tariffs with Europe and that we have control of any new trade deals.

That will benefit the manufacturing industry, which is central to Lincolnshire’s economy. Local companies need a frictionless trade deal to maintain supply chains and have access to the European markets. However, the Prime Minister’s proposed agreement attempts to ensure that trade is “as frictionless as possible” and the Government’s own forecasts suggest that the value added to the economy by the manufacturing industry will be reduced by as much as 2% under the current deal, and a no-deal scenario may decimate the sector by 12%.

For those working in Lincoln’s manufacturing industry, we must guarantee that our country does not fall behind the EU in workers’ rights, or in protections for consumers and the environment—we do not hear a lot on that from Government Members. This deal will not protect jobs, workplace rights or environmental standards, and it will inhibit businesses by failing to ensure frictionless trade or any certainty about our future relationship with the EU. The political declaration does nothing to ensure market stability or to encourage increased investment in the UK. The longer that this instability continues, the more likely businesses are to leave the UK. We have the Bank of England telling us that the Prime Minister’s plan will see the economy shrink by 3.75%, compared with the pre-referendum trend, and the National Institute of Economic and Social Research telling us that the deal could lead to our GDP losing 3.9% of growth, which equates to around £100 billion in 2016 prices—money that could be much better spent on our devastated public services.

I am very proud to represent Lincoln today, a place that was close-fought in the referendum but chose to leave. Prior to deciding how to vote, I surveyed my casework to assess what Lincoln thinks about the PM’s deal. A very large majority—both remain and leave voters—have asked me to vote down the deal, acknowledging that there are alternatives before we meet the no-deal cliff edge. We can renegotiate with the EU, or better still, hold a general election. Many of my constituents acknowledge that a successful Brexit is contingent on replacing this shambolic Government.

The Prime Minister has spent the last two and a half years trying to solve the squabbles within her party, instead of focusing on trying to get a good deal for this country. That is why, at such a late stage in negotiations, we have such a poor deal in front of us. It simply is not good enough and this

country deserves better. If the Prime Minister simply cannot deliver better, she should stand aside and make way for a party that will.

18:35:00

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP)

The Prime Minister says that it is her deal, no deal, or no Brexit. In response, my constituents are saying resoundingly and overwhelmingly, “No Brexit!”

If there were not already an institution like the European Union, we would be desperately trying to create one. Given that the EU is rooted in the aftermath of the bloodiest war ever fought and forged through a decades-long cold war, it is extraordinary to witness now the extent of the co-operation and the wealth creation between nations which, within living memory, were hellbent on destroying each other.

Such an international and supranational institution, built on a framework of human rights, democracy and the rule of law, is essential for the times in which we live. Supranational issues such as climate change, terrorism and extremism, Russian influence and the challenges of globalisation require a supranational response. We can maximise our potential in trade, research, education and science, and harness the benefits of globalisation much more expansively through membership and co-operation than by acting alone. This is about independent nation states not giving up but pooling their sovereignty and powers for the greater benefit of all.

The tragedy is that in the UK, the EU has instead been used as a scapegoat for all our ills, and as a soft political punchbag, from the time when Harold Wilson claimed to save Britain from “Euroloaf” and “Eurobeer” to the present time, when the former Foreign Secretary, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), talks nonsense about bananas and hoovers. Of course the EU is not perfect, but ultimately—perhaps with the exception of Presidents Trump and Putin—few would fail to accept that its existence is a wonderful thing, and a good thing for the UK as well. If we think that the existence of the EU is in the UK’s interests—and I think everyone would agree that it is—it strikes me as almost a dereliction of duty to say, “We are not going to be involved any more.”

What this boils down to is that every single Brexit scenario, including the Prime Minister’s deal, will leave us worse off than remaining in the EU: worse off materially, but also worse off in terms of opportunity, security and influence. I will not vote for a deal that would deprive my constituents, and future generations, of the same benefits and opportunities that my generation has enjoyed. The Prime Minister said that her deal

“ends free movement once and for all.”—[Official Report, 22 November 2018; Vol. 649, c. 1096.]

If that is the best thing that she can say about it, it is a rotten deal.

As my hon. Friends have pointed out in recent days, what Brexit has also done is again flag up the hopelessly lopsided nature of the United Kingdom, which will always and inevitably be dominated by its biggest constituent part. It has highlighted a stark contrast. A small independent country such as Ireland can command genuine support and consideration at the heart of the much larger group of EU nations. While Scotland has been sidelined, Ireland has been front and centre.

I dearly hope that the UK will step back from the brink of the disaster that is Brexit, but the very fact that we have even come this close shows to me, as never before, why Scotland should forge its own future as an independent nation state within the European Union.

18:37:00

Stephen Kinnock (Aberavon) (Lab)

It is a pleasure to follow the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald).

It is clear that the Prime Minister's deal is dead in the water, so it is imperative that we now turn our thoughts to the alternatives. In doing so, we must ask ourselves a very simple but vital question. What did the 52:48 mandate actually instruct the House to do? The answer to that question is clear: it was a call for Britain to leave the EU's political institutions and projects, while maintaining the closest possible economic relationship with the 500 million consumers on our doorstep. It was an instruction to move house, but to stay in the same neighbourhood. So the fundamental question is this: how do we convert that mandate into practice?

Well, first we must seek a general election, but if that is not possible, we must pivot immediately to Norway plus. Many people refer to Norway plus as a plan B, but for me it has always been plan A. For two years I have been making the case for an EEA-based Brexit, because I believe passionately that it offers an exciting future. It would enable us to be a leading light in a group of like-minded European countries that sit outside the political institutions of the EU, but enjoy full participation in the single market. It would also enable us to reimagine and reinvent our relationship with Europe.

European leaders are now recognising the limitations of the EU's one-size-fits-all approach to integration. President Macron in particular is a strong supporter of the concept of a multi-tier Europe that better reflects the different histories, cultures and political temperaments of its component parts. Importantly, Norway's Prime Minister and Iceland's Foreign Minister have also confirmed that they would welcome us into the EEA, while Michel Barnier has made it clear that, from the outset, the EEA plus a form of customs union was always on the table.

Some are concerned about our ability to control immigration in the EEA, but articles 112 and 113 of the EEA agreement enable any EEA country to suspend and reform any one of the four freedoms that underpin the single market. Yes, the EU could take retaliatory measures, but such actions would have to be both proportionate and in accordance with the original legislation. Norway plus would also solve the Irish border issue, because single market plus customs union delivers frictionless trade and is therefore currently the only realistic guarantor of the Good Friday agreement.

My party's Front-Bench amendment calls for a permanent customs union and a "strong single market deal". That sounds like Norway plus to me. If our six tests and Front-Bench amendment clearly set out the what, Norway plus provides the how. If our Front Bench were to adopt Norway plus, it would become the flesh on the bones of Labour's Brexit policy, because it is the only plan that offers the certainty, clarity and security of leaving the EU via a well established, well understood and fully ratified international treaty. By committing to Norway plus we would be underlining the fact that we are not only an Opposition, but we are a Government in waiting, with a constructive, realistic and workable proposal that is truly in the national interest, that can clearly command a cross-party majority in this House, and that can dig us out of this constitutional crisis.

Our country is not only polarised; it is paralysed. Communities and families are divided, and Parliament has fought itself to a standstill. As politicians, we desperately need to start building bridges. Having campaigned for remain, I can see the attraction of a people's vote, but I can also see the risks. What would it say about our fragile parliamentary democracy if we just threw this back to the public? Call me old-fashioned, but I still believe passionately in parliamentary sovereignty. Our constituents are crying out for us to do the job and solve this problem. A Norway plus-based Brexit would be a strong compromise in the national interest, and it is only by compromising that we will get ourselves out of this mess. It is only by doing this that we can reunite our deeply divided country.

18:41:00

Ronnie Cowan (Inverclyde) (SNP)

The famous Greenockian Chic Murray told this story: "I woke up this morning when my alarm bell rang. I switched it off and went back to sleep. Then my doorbell rang; I got up, went to the door, there was nobody there. I crawled back into my bed, I was falling asleep, and my telephone rang. And I said to myself, 'This is one of those days when everything is going to go wrong.'" [Laughter.] Hansard will show that laughter rang around the Chamber unconstrained.

Ladies and gentleman, Brexit: the day when everything goes wrong. That is what many people fear. Over the last two years a number of local companies have written to me expressing their concerns; over the last two weeks the quantity of these emails has increased alarmingly. Businesses and organisations are now acutely aware that with only 113 days to go they are still being asked to plan for the unknown.

I have heard the term "just in time" thrown around this Chamber with great gusto, but I honestly wonder how well it is understood within the Cabinet. If a manufacturer or producer is operating a just-in-time process, they are doing so to streamline production. They do not want large stocks of components or ingredients; they want to receipt it into production, consume it, and move on. They do not want to have to stockpile inventory; that would tie up cash, and in business cash flow is crucial—just ask Carillion. Given that they currently run just in time, they do not have the required storage space, especially if that involves refrigeration units, and their computer systems are not configured to handle transactions from non-existent warehouses.

When commerce became aware of the potential issues of the turning of the new millennium, many businesses spent large sums of money and undertook comprehensive changes to avert disaster. I repeat: there are 113 days to go and we still do not have a plan. We have a range of outcomes, but nobody can write an effective IT system if the design is constantly changing. As we have heard this evening, these concerns seep into travel, transport, medicine, education—and the list goes on.

Brexit has challenged this Parliament and this Government to be innovative, courageous, responsible and entrepreneurial, and they have failed, failed, failed and failed again. Brexit has shown that this Parliament and Government are not fit for purpose, and just maybe that is a lesson we will take from Brexit.

In Scotland we draw strength from the knowledge that we can do something about it. We can create our own future free from the incompetence, conceit and chaos of Westminster, yet every time we ask about Scotland's priorities, options and unique opportunities and how they can be protected, we receive the same stock answer: the people of Scotland voted no in 2014. This translates as, "Scotland has forfeited all rights to its needs to be recognised as a sovereign nation." This

Parliament should be careful with its language, because when we say “taking back control”, we mean it.

18:45:00

Kate Green (Stretford and Urmston) (Lab)

This deal fails on so many counts. It does not give us back control, it does not give clarity and certainty, and it will do nothing to heal the divisions that so many hon. Members have talked of and that now pertain in our country. I find it particularly ironic that we are being told that one of the virtues of the deal is the certainty it will give to business. It does no such thing. After the transition period, the political declaration’s vagueness means that business can be no more certain than it is now. In my constituency, which is home to the first and, I think, still the largest industrial park in Europe, this is a matter of the utmost importance.

Businesses in Trafford Park span a vast range of industry sectors, all of which will be affected by the way in which the country leaves the European Union. They include sectors such as food processing, chemicals, paint, fire resistant product manufacture, furniture making, printing, service industries and logistics. This deal gives those businesses no guarantees on frictionless trade and no idea of what the long-term customs and tariff arrangements will look like. Those businesses have no idea of the long-term regulatory regimes that they will participate in, and they have no certainty about their access to European labour. It is quite disgraceful that, just days before we are required to vote on this deal, we have still had no sight of an immigration Bill or an immigration White Paper. The lack of access to labour in industry sectors such as food processing, construction, social care, hospitality and retail, all of which are crucial to my constituency and those of many other hon. Members, leaves a gaping hole that makes it impossible for us to vote for this blind Brexit.

I am fearful that this deal will not only compromise our prosperity and security but diminish our standing and influence on the world stage. It is incumbent on us to find something better, and something better cannot be no deal. That would take us down a black hole of no security arrangements, no trading arrangements with our nearest neighbours and no capacity to deal with the challenges that we face on a global basis, including climate change, conflict and population movement. Parliament can now try to find common ground and a deal that we can all agree on, but the evidence is that Parliament, like the country, is now hopelessly divided.

An election delivering a new Government with a new will to negotiate a deal that benefits the whole country is something that I look forward to and welcome, but I say gently to those on my own Front Bench that if we are in government and negotiating a deal, we will have to be realistic about the compromises that will need to be made if we are to continue to benefit from a relationship with our European neighbours that works. If nobody in this place can draw up a satisfactory deal, which looks increasingly probable, I, too, after a long period of soul- searching, and as a fundamental believer in parliamentary democracy, believe that we will have to return the decision to the country.

18:49:00

Helen Hayes (Dulwich and West Norwood) (Lab)

In June 2016, my constituents voted overwhelmingly to remain in the European Union. The vast majority of them were devastated by the referendum result, and there has been no subsequent reduction in the level of engagement from my constituents on Brexit, nor their palpable distress and concern. I made a firm commitment to represent the views of my constituents on Brexit, and their views are clear. Overwhelmingly, my constituents do not want the UK to leave the European Union, and I will continue to put that view on record for as long as this process continues.

Although passionate in their beliefs, my constituents also understand the catastrophic risks that a no-deal Brexit presents for our economy and security and are clear that it must not be allowed to happen. Many have watched closely the approach taken by the Government in their negotiations with the European Union, hoping that they would negotiate thoughtfully in the national interest, intent on bringing together a nation divided by a close referendum result. They have looked carefully for signs that the Government were working for a Brexit deal that demonstrated that Ministers had listened to and reflected on their concerns—albeit in the wider context of something that they wished was not happening at all. Two years on, however, it is clear that the Prime Minister has failed catastrophically in her Brexit negotiations. It is also clear that the seeds of that failure were sown at the very beginning in the speech that she made in Downing Street in which she declared that “Brexit means Brexit.” Brexit was not clearly defined at the time, but that vacuous statement allowed the Conservative hard Brexiteers to move in and claim the definition for themselves.

Soon afterwards, with Prime Minister setting out her red lines, it became clear that she was allowing the hard Brexiteers to go completely unchecked and to have a role and influence that was grossly disproportionate to the views of the country as a whole. Instead of establishing a set of principles and objectives for the negotiation that sought to build unity in a country split down the middle by Brexit, and instead of being able to see that this process would have implications for the UK that transcended party politics, the Prime Minister sought only to appease the extremists within her own party who hate the European Union far more than they are concerned about the potentially devastating economic consequences for communities up and down the country of leaving it.

The Prime Minister’s approach to Brexit also failed to acknowledge that the wider global context has changed since the referendum—not least with the election of Donald Trump as President of America. The reality of a volatile, inconsistent, protectionist US President is a de facto weakening of any hypothetical opportunity to benefit from a new trade deal with the US. Any trade deal with the US already ran the risk of being a race to the bottom on environmental protections and workers’ rights, but the Trump presidency introduces further risks that could not have been imagined, still less debated, in June 2016. The importance of our trading relationship with Europe has therefore strengthened, not diminished, over the past two years.

The Prime Minister’s deal is also fundamentally unstable. It is her deal and hers alone. The Henry VIII powers established by the European Union (Withdrawal) Act 2018 allow the Government to make fundamental changes to the legislation that we currently derive from the EU, so there is every risk that the Prime Minister could quickly be replaced by a hard Brexiteer who would undermine the deal by the back door to deliver a much harder Brexit. I cannot vote for a deal that has such a strong risk of paving the way to an even more damaging hard Brexit. If the Prime Minister’s deal is defeated, she should resign and call a general election. If Parliament will not vote for a general election, it must allow people the opportunity to vote on whether to accept the Brexit deal on offer or stay in the EU. That is not undemocratic. It is more democratic, and it is the right thing to do.

18:52:00

Rachael Maskell (York Central) (Lab/Co-op)

As this debate has progressed, the limitations of the Prime Minister’s deal have been exposed. We have witnessed a process whereby Brexit has come to mean a charade in which transparency and accountability have been dodged, with total disregard for the concerns that people had when they voted. My interpretation of the vote on 23 June 2016 has always been that our country is divided. We can argue that more people were in favour of leave on a particular date, but politics should not

be about a race over the finish line, but about reading the times, listening to the multifaceted and complicated reasons why people made their choices and then seeking to resolve the concerns raised on all sides. As it happens, my constituency in York voted overwhelmingly to remain. I respect my constituents and believed it was my duty to reflect their vote when it came to article 50, and I rightly could not trust the Government.

We must remind ourselves of the febrile political environment in the lead up to the referendum and that some of the worst xenophobia and racism was propagated across different media. We recall the financial pressures that were levied upon our constituents. The cuts to services were severe, jobs were insecure, opportunities were denied, and many people were struggling. Over the past two and a half years, people across our nation would have expected the Government to have reached out and responded to the causes of the divisions in our country, but the Government have failed.

My constituents live in the most inequitable city outside the capital. Since the referendum, the cuts have deepened, with the worst-funded schools and one of the worst-funded health services. Crime is up, good jobs have been lost, and constituents and businesses alike feel seriously let down. The casework I deal with is, frankly, so shocking and heartbreaking that I struggle to believe that we live in a so-called society. The economic analysis released last week shows that things will get worse. None of us came into politics to make people poorer, but this deal will.

My excellent universities in York, which have an exemplary reputation across the EU due to their success in winning EU research projects, will lose out significantly. As will our local economy, which is already struggling to find people to work in the hospitality sector and in the care sector, caring for our most vulnerable.

I was flabbergasted to see that the Government's deal, after two years of uncertainty, fails to recognise how business needs time to plan and work with the market; further uncertainty only adds risk to our economy, not least on future customs arrangements.

For a negotiator it is plain to see that leverage is needed in negotiating a future deal, and the political declaration provides no such security. Worse, we all know that industry and services have lost confidence in our great nation due to this Government's Brexit framework, and they are slowly and steadily sliding across the border into the EU, further weakening the Government's position.

As the vote highlighted that the nation is divided, my test is whether the Prime Minister has demonstrated that she has the capability, through her deal, to unite our country. This deal does not achieve that. People did not vote just on technicalities or institutions; they voted on the wider context of their lived experience.

Politics is not just transactional; it is all-encompassing. Labour has an agenda that will address inequality, division and poverty, and that will end austerity. It will heal our broken nation and rebuild relationships across the EU and beyond, bringing real hope and security. Our future lies with this Labour party being in government and healing our nation.

18:57:00

Jim Shannon (Strangford) (DUP)

It is always a pleasure to follow the hon. Member for York Central (Rachael Maskell).

Members will have noted during this week's business a most sincere and clear lack of pleasure from the Democratic Unionist party in what is happening. I was not pleased to learn that the legal opinion

of the Attorney General was not to be made public; I was not pleased to learn that the Attorney General shares my concerns about the undesirable features of the backstop; and I had no pleasure in the vindication of our demand for the legal opinion, as it backed up my biggest fears.

The legal opinion is clear that the protocol is

“binding on the United Kingdom and the European Union in international law... NI remains in the EU’s Customs Union, and will apply the whole of the EU’s customs acquis... Northern Ireland will remain in the EU’s Single Market for Goods and the EU’s customs regime, and will be required to apply and to comply with the relevant rules and standards.”

It is little wonder that constituents in my fishing village of Portavogie have always been clear that they want fewer restrictions and they want to be less encumbered and less prevented from fishing in their own waters. In Portavogie, Ardglass and Kilkeel we have been on the frontline of EU aggression and bureaucracy.

About the insurance policy, Ministers have told us, “We don’t want it and they don’t want it.” Well, if none of us really wants it, why is it there? That is the question I ask myself.

Mr Simon Clarke

Will the hon. Gentleman give way?

Jim Shannon

No, I will not give way.

Why is the insurance policy almost the only thing that has been agreed? If it will not be necessary, why have we spent 18 months discussing this and little else? I am not a fisherman by nature, but I know codswallop when I see it, and that is what this is. And for good measure there is the £40 billion. My goodness, who in their right mind would do that? It is unbelievable.

What rational person would think that Europe, which has fought so hard for this and which has pinned all its bargaining and all its red lines on this one insurance policy to ensure there is no legal form of leaving this international treaty unilaterally without consent, will ever decide to allow us to walk away when there is no mechanism legally to compel it to come to an agreement? Not me and, let us be honest, not anyone in this House. Please forgive me for expressing some disgust in a promise made by some in this House which has then been denied us—those Members, and the Government, know exactly who I am referring to.

We are small but we are part of this wonderful United Kingdom of Great Britain and Northern Ireland. I sincerely believe that we can and will survive the Brexit process, but only if we stand together. The Belfast agreement clearly says that Northern Ireland remains in the UK until a majority vote to leave is plain. It states:

“Northern Ireland in its entirety remains part of the United Kingdom and shall not cease to be so without the consent of a majority”.

Yet the Attorney General clearly states that we are now a third country. So can that be legally acceptable? I say no.

The red line that my party has—I have heard Members referring to this—is not in red pen; it is in the blood of family members, people such as my cousin Kenneth Smith, of neighbours, of

colleagues and of constituents—of your constituents and mine. They have shed blood to defend the right to democracy and to determine that nothing can enforce a united Ireland other than the will of the people. The Government have created the potential for an all-Ireland. Members must be very clear about what I am saying here, as I mean this. They must see the mistrust I have for the Government at this moment in time. They have drawn a dust sheet over the lines drawn in the precious blood of so many I loved. This Government are proposing to allow my beloved Northern Ireland to become a violated, voiceless, vetoless victim of Europe's desperate grasp for control over our UK.

So next Tuesday I am going to stand up for my people, and I urge others to do the same. I will stand up for our own nation and for our own good. I urge the Government to go back to Europe with the courage of their conviction that this UK will be no one's vassal state and that Northern Ireland's blood-bought birthright is not for sale.

19:01:00

Barry Gardiner (Brent North) (Lab)

I congratulate not only Members on my side of the House today, but all those who have spoken in this debate, because what we have shown is testament to the passion, and the force of argument and rationality, that Members can present the House with at times such as this. I also want to pay tribute to you, Mr Speaker, for the fact that you have shown leadership by staying in the Chair for the entire proceedings of this debate.

The person I wish to start by quoting is not one of my own side, but the right hon. Member for East Devon (Sir Hugo Swire). He said:

“No one ever said it was going to be easy.”

Actually, on 20 July last year the Secretary of State for International Trade informed the country that an agreement with the EU would be

“one of the easiest in human history.”

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox)

If we are going to have a sensible debate and if we are going to use quotes, they should be accurate and in context. As the hon. Gentleman knows, the point I was making was that the trade element—the part we have not yet negotiated with the European Union—should be simpler than most, because we would begin, unlike in most trade agreements, with regulatory alignment and legal alignment in trade.

Barry Gardiner

I know exactly what the Secretary of State said. In the following sentence, he said this would happen unless

“politics gets in the way.”

Clearly, politics has got in the way, but it is not the only thing. Yesterday, reality got in the way, with the release of the Attorney General's written advice to Cabinet. The implications of this legal advice are that we could be locked into a position where the EU negotiates a new trade in goods agreement which might be beneficial for the EU but deeply disadvantageous to the UK. This could be a deal where we have no say in the negotiations but where the UK could be obliged to open up

our markets, perhaps to the United States of America, without any reciprocal right of access for UK manufacturers into that US market. I know the Secretary of State will have reflected carefully on that outcome. In fact, earlier this year in his Bloomberg speech he presaged just such a situation. He said:

“As rule takers, without any say in how the rules were made, we would be in a worse position than we are today. It would be a complete sell out of Britain’s national interests and a betrayal of the voters in the referendum.”

But in a few minutes he will stand at that Dispatch Box and urge hon. Members from across the House to vote for it. I can only admire his flexibility.

So how did this mess come about? The Chair of the Public Accounts Committee, my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), excoriated the Government for their failure to prepare. My hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) focused on the rigidity of the Prime Minister’s red lines. Perhaps the most serious error, though, was, as my hon. Friends the Members for Ynys Môn (Albert Owen) and for Rutherglen and Hamilton West (Ged Killen) said, to try to exclude Parliament from the process. The Government tried to exclude us on the triggering of article 50, on the impact assessments, on the right to a meaningful vote on the deal and on the financial modelling, and of course we argued that Parliament had the right to see the full legal opinion prepared by the Attorney General. Their refusal was a blunder that resulted in an achievement unique in a thousand years of our history: a Government being held to be in contempt of their own Parliament—ironic, given that Brexit was supposed to be about the sovereignty of this Parliament.

It is hardly surprising, then, that now that the Prime Minister has finally brought her deal back to the House of Commons, it is a deal that Members on all sides believe is not in the best interests of the country. She used to say, “No deal is better than a bad deal”; now the motto seems to be, “Any deal is better than no deal.” In fact, the Prime Minister’s deal is not actually a single deal at all: it is a package, in which there is one deal with binding commitments by the UK on the things that the EU demanded that we settled before we leave—money, citizens’ rights and the Irish border—and another proposed deal, which contains only a wish list, with no binding commitments on the EU on all the things that the UK would like in terms of our future political, trading and security relationship. Both are packaged up with the transition period, during which the real final deal is supposed to be negotiated.

People have called it a blind Brexit, because we are unable to see what we will get before we leave the EU on 29 March, by which time we will have lost all further leverage. After President Macron’s comments, is there anyone present in the Chamber who thinks that it is mere coincidence that the final date to extend the transition period and avoid the backstop is exactly the same date as that for the ratification of an agreement on access to our waters and fisheries quota shares?

My hon. Friend the Member for City of Chester (Christian Matheson) pointed out that, although the Government say that the technology to avoid a hard border does not currently exist, in a staggering act of faith, they believe that it will be possible to achieve that by December 2020, when the transition period comes to an end. If the future relationship is not agreed by that date, the UK is faced with a stark choice: pay billions of pounds to extend the transition, or enter into the trade purgatory of the backstop arrangement.

Forty years of harmonisation of standards and regulations has resulted in UK companies being deeply embedded in complex supply chains. In the past few months I have visited factories in all

sectors. I have been to the ceramics factories about which my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) spoke so powerfully when he told the House about the unions that he met and their fight. They are stressing that we must not have no deal, while not exactly being enamoured of the one that is on offer.

Vicky Ford

Will the hon. Gentleman give way?

Barry Gardiner

The automotive sector—[Interruption.] The hon. Lady will understand that the purpose of summing up at the end of the day is to respond to all the comments, including hers, that have been made during the debate. That is what I will try to do.

I visited the automotive sector with my hon. Friend the Member for Crewe and Nantwich (Laura Smith). I spoke to the management, the unions and the workers. Their sector represents £18 billion-worth of exports to the EU. It has benefited enormously from our EU membership, and particularly from the customs union, which has allowed companies to streamline their supply chains and employ just-in-time systems.

I am not a pessimist about the future of our country. I do not say that the UK will be poorer if we accept the Prime Minister's deal. But I do say, with the support of both the Treasury and the Bank of England, that it will be much poorer than we otherwise would be, by approximately 4% of GDP. My hon. Friend the Member for Sheffield South East (Mr Betts) spoke with clarity and passion about the differential impact that this would have on the poorest people and on the forgotten regions of our country, which need infrastructure investment.

Let us examine the potential upside: the new free trade agreement that the Secretary of State is so keen for us to do, particularly with our single largest bilateral trading partner, the United States. We have a trade surplus with the USA—a trade surplus that President Trump is determined to overturn. Last week, he suggested that a deal may now no longer be possible because of the way in which this deal proposes to align with the EU. President Trump made it clear that any trade agreement would involve aligning with American regulations and standards. Yes, of course, that means chlorine washed chicken, but it also means the US Defects Levels Handbook, which specifies the level of mice droppings or rat hairs that are permitted in our food—for example 11 rodent hairs per 50 grams of cinnamon and 20 maggots per 100 grams of drained mushrooms. If anyone in this Chamber doubts it, they can read the handbook for themselves or they can see what is proposed by reading Plan A+ launched by the original Brexit Secretary and by the hon. Member for North East Somerset (Mr Rees-Mogg) just recently. It proposes to remove parity-pay for posted workers; end limits on the hours that people can be asked to work; end the precautionary principle; say yes to pesticide residues and yes to hormone-disrupting chemicals in genetically modified organisms. Such regulatory divergence from the EU would substantially impact our ability to trade with our biggest closest market. It would increase the risk profile—

Dr Fox
rose—

Barry Gardiner

Of course, I will give way to the Secretary of State.

Dr Fox

I am grateful to the hon. Gentleman for giving way. Is he aware that because of trade asymmetries—that is the way in which trade flows are measured transatlantically—the United Kingdom believes that we have a trade surplus with the United States, but the way that the US measures trade means that the US already believes that it does have a trade surplus with the UK. That rather undermines his case.

Barry Gardiner

Not at all. The Secretary of State will have read what President Trump has said recently. He knows that the president, as a protectionist, wants to put America first, not the UK.

That regulatory divergence from the EU would substantially impact our ability to trade with our biggest and closest market. The Minister for Trade Policy, the hon. Member for Meon Valley (George Hollingbery) recognised the same. He noted that, “If we come out of alignment with EU regulations in this area, then there is a penalty to be paid in terms of frictionless trade with Europe.” That comes from the Secretary of State’s own team.

Even assuming that new trade deals are possible without these complications, what would these new agreements contribute to our GDP? The Bank of England has quantified any benefit at less than half a per cent—just 0.2% of GDP growth. The Government’s own assessment says that a no-deal Brexit would result in a reduction of 9.3% of GDP. Most MPs are clear: a no-deal Brexit cannot be allowed to happen. None the less, the Prime Minister is presenting her agreement as a binary choice between her deal and no deal. She urges MPs to vote for a deal that they firmly believe is not in the country’s best interest by threatening that if they do not, the consequences of no deal would be even worse. That is not an argument; it is blackmail. Most importantly, it is a false choice.

Earlier today, my right hon. Friend the shadow Chancellor set out an agreement that respects the key reasons why many people voted to leave, namely money, borders and law, and also ensures that we continue to have frictionless trade that protects our manufacturing industry’s just-in-time supply chains and the integrity of the United Kingdom.

We are at a critical point in our history and business needs certainty and stability. Our children need an optimistic future. Our country is deeply divided. I started by quoting the Secretary of State and remarking how flexible he has been in acquiescing to this deal. I conclude my remarks, exhorting him to be yet more flexible still and to recall his own words, which were quoted in *The Mail* on Sunday on 16 September 2012. He said:

“I believe the best way forward is for Britain to renegotiate a new relationship with the European Union—one based on an economic partnership involving a customs union and a single market in goods and services.”

The Secretary of State may not like it, but it sounds an awful lot like Labour party policy to me.

19:14:00

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox)
Well, that got a tumultuous welcome from the Labour Benches.

I thank right hon. and hon. Members on both sides of the House for their valuable and insightful contributions to the debate, delivered with passion but without the rancour referred to in the elegant

and wise contribution of my hon. Friend the Member for Hazel Grove (Mr Wragg). I wish that more Members could have heard his wisdom on that subject.

Before I respond directly to some of the points raised in the debate, I think the House should take a moment to consider, at this pivotal moment of our nation's history, the inherent strengths of the UK economy that we have been discussing today. As my hon. Friend the Member for Basildon and Billericay (Mr Baron) mentioned in his contribution, at the time of the referendum we were told that the simple act of voting to leave the European Union—not leaving the European Union itself, but voting to leave—would cause such an economic shock that we would lose half a million jobs, our investors would desert us and we would require an emergency Budget to deal with the ensuing fiscal imbalance. So it is worth just considering what has actually happened in our economy in that time.

We have added 700,000 to the economy, with more people finding work than at any time in the past 40 years. That is no accident. It is the result of good Conservative economic management—something that would be completely cast asunder were the Labour party, in its current hard-left form, ever to take office in this country.

Sarah Jones

Will the Secretary of State give way?

Dr Fox

If I may, I will come to the hon. Lady's contributions a little later.

This upward trajectory in employment shows no signs of slowing. Indeed, the OBR has calculated that we can add another 800,000 jobs without creating inflationary pressure, because there is still slack in the economy to do so. Throughout this debate, Labour has talked as though, post-referendum, our economy is on its knees. Well, let me tell the Opposition that 2017 saw total UK exports rise by 10.9% compared with 2016, at a time when global trade grew by about 3.4%. British companies sold almost £50 billion-worth of mechanical machinery, £41 billion-worth of motor vehicles, £16 billion-worth of aircraft and £14 billion-worth of medical equipment. Since the referendum, we have increased our share of our GDP that we export from 28.3% to 30.5%, which is a very large increase by international comparisons—so much for Britain not making anything anymore. This is all before we even consider our world-leading services sector, which accounts for around 80% of UK economic output.

Stewart Hosie

The increase in exports is recognised. The nature of the exports is recognised. Why on earth do we want to put all that at risk by ending the ability to access those many countries with which the EU has an FTA that we are part of?

Dr Fox

If the hon. Gentleman is serious about automatically wanting to roll over all the agreements that the European Union has, I hope that he will vote for the Government's motion next Tuesday, because that is exactly what would happen if we had a withdrawal agreement and a movement into the implementation period. All those agreements would automatically be safeguarded. He might want to think about that before he casts his vote.

Maggie Throup

Does my right hon. Friend agree that this deal will bring certainty for businesses by unlocking the investment that they are sitting on, and that this is what we need for our future prosperity?

Dr Fox

As the Chancellor said in his introductory speech this afternoon, it is widely acknowledged that when there is an agreement, there is potential for a dividend because investment that might be being held back because of uncertainty around Brexit could come forward. That is probably particularly true of domestic investment, rather than foreign direct investment, which I will come on to.

Albert Owen

rose—

Dr Fox

I will give way again soon because, unlike the Labour Front-Bench spokesman, I am happy to have a debate in the House of Commons.

Albert Owen

Will the Secretary of State give way on that point?

Dr Fox

I heard the hon. Gentleman—calm down. Clearly the vote to leave the European Union has not had the catastrophic effect on our economy that was predicted—quite the reverse—and it is worth making a point about the difference here between forecasts and scenarios. Throughout today's debate, I have constantly heard scenarios portrayed as forecasts, but it is worth pointing out that, in a forecast, all variables in an equation are considered, and their combined effect is looked at and becomes a forecast. A scenario is the isolation of a single factor and the assumption that if nothing else changes, that is what may happen. Clearly, in the real world that is not what happens. It is not realistic to expect that there would be no potential shift, if necessary, in Government fiscal policy, or in the Bank of England's monetary policy, or changes to what the Government will be able to do on tariffs. We have to be realistic and try to understand what those things are. To try to confuse forecasts and scenarios, intentionally or otherwise, is not helpful to the debate.

Albert Owen

The right hon. Gentleman is right to tell the House that George Osborne got it completely wrong with the panic measures and emergency Budget that he was going to introduce, as he did on eliminating the deficit. The Secretary of State is laying out different scenarios. What forecast would he like to give the House for how he sees the state of the economy within x amount of time after leaving the European Union?

Dr Fox

Again, that is exactly the same pattern. We want a continuation of good economic management for the United Kingdom that continues to provide jobs and prosperity in our country, and record investment in its infrastructure. I can forecast that if the Labour party was ever to take office with its crazy spending plans, the financial and economic consequences for the prosperity of this country would truly be catastrophic.

Nigel Huddleston

I appreciate the positive and optimistic picture that the Secretary of State paints of the UK economy and our potential. Does that not demonstrate that it is always better to have a Conservative Secretary of State for International Trade flying round the world and talking Britain up, rather than a Labour one talking Britain down?

Dr Fox

Talking Britain down is what people do when they cannot bear the fact that the truth tells us that our economy is doing well, that exports are at record levels, that inward investment into the United Kingdom is at record levels, and that unemployment is at a record low level and employment at a record high level. Labour Members hate all those facts because they go against their basic narrative that Britain is failing and somehow needs to be rescued by an utterly inept Labour party.

Sarah Jones

I am slightly confused about the notion that the economy has been managed well by the Government when we have nearly the slowest growing economy in the industrialised world. We have no investment, and our debt-to-GDP ratio is pretty stagnant. We are a failing economy with low wages, and we do not have the growth of other industrialised nations that are way ahead of us. The Government are not managing the economy well.

Dr Fox

Once we get out of the realms of fairy tales and consider reality, we see that the unemployment rate in the United Kingdom is 4.1%—almost exactly half the level in the eurozone, which is 8.1%. Our exports are growing faster than in most other countries in Europe, with the exception of Germany, and investment in our infrastructure is at record levels.

Barry Gardiner

rose—

Dr Fox

Now that the hon. Gentleman wants to come into the debate, I welcome him.

Barry Gardiner

As, indeed, I twice welcomed the Secretary of State. Will he confirm whether he has seen Her Majesty's Revenue and Customs statistics on regional trade in goods for the third quarter that were published this morning? They show that all regions of the United Kingdom are importing more than they are exporting, and we therefore have a large balance of trade deficit.

Dr Fox

I hate to bring this to the hon. Gentleman's attention—it will no doubt come as a shock—but we have had a trade deficit since the 1980s. In fact, one of the few times when we have not was in February this year, when the UK became a net exporter for the first time in some time. The hon. Gentleman will no doubt be overlooking those facts because they do not suit his narrative.

Sir Oliver Heald

rose—

Dr Fox

I give way to my right hon. and learned Friend, but then I will make some progress, much as I am enjoying this.

Sir Oliver Heald

I pay tribute to the work done by my right hon. Friend in talking to our trading partners around the world in contemplation of having new trade agreements once we are into the implementation period. Does he agree that one of the strengths of the deal that the Prime Minister has negotiated is that we can go into the implementation period, negotiate, ratify and sign the trade deals, ready to go? If we do not take this deal and just fall out of the EU, we will not get that chance, so it is very important that we do take it.

Dr Fox

My right hon. and learned Friend is right. It is certainly true that the draft political declaration was not as favourable to an independent trade policy as the final declaration is, given the changes that the United Kingdom insisted on in that negotiation. I was much heartened by those changes, not least because the declaration talks of building on and improving customs co-operation, not just building on it, and it cross-references the other elements of that to include protection of our independent trade policy.

Mr Simon Clarke

On the subject of forecasts and scenarios, may I refer my right hon. Friend to Open Europe's excellent report, published this week? It is clear that the gains from artificial intelligence over the next 10 to 15 years will more than outweigh any conceivable loss from any scenario surrounding our exit.

Dr Fox

Indeed—my hon. Friend is right to say that that was correct in all scenarios. The doom and gloom pushed in some quarters is not consistent with the reality of Britain's economic performance.

Now is the time to raise our sights and acknowledge that there is a world beyond Europe and there will be a time beyond Brexit. The referendum settled the question of our departure from the European Union. This House voted overwhelmingly to hold that referendum. The British people voted on the understanding that we would enact the result.

In 2016, we did not have a consultation with the British public; we were given an instruction to negotiate this country's withdrawal from the European Union. That point was made in powerful speeches by my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) and my hon. Friends the Members for Tonbridge and Malling (Tom Tugendhat), for West Worcestershire (Harriett Baldwin), for Berwick-upon-Tweed (Anne-Marie Trevelyan) and for Stafford (Jeremy Lefroy), among others. They all come from different parts of the political debate—a clear indication that we have to find a compromise that makes this workable. The withdrawal agreement achieves just that. Most importantly, it enacts the democratic will of the British people.

I remind the House that this is the only deal on the table. It has been painstakingly negotiated by both sides and of course we do not have every single thing that we wanted—but then again, neither did the EU. That is the nature of international agreements. The deal is a compromise, as was pointed out by my right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames) in an outstanding, personal and passionate speech, the likes of which we would love to hear more of in this House. That message was echoed by my hon. Friend the Member for Eddisbury (Antoinette Sandbach) and my right hon. Friend the Member for Ashford (Damian Green).

Do I think the agreement is perfect? No, I do not. Did I think it would be? No, I did not. But does it do enough to get us out of the European Union? Yes, it does. For those who want another referendum, let us be very clear: the one thing that will not be on offer in any further referendum, just as it was not in the last one, is the status quo. The status quo has never been on offer; this is a dynamic progression in the European Union. The EU is committed, as it has been since the treaty of Rome, to ever closer union. We wish our European friends well in that endeavour, but it is not the right course for Britain. We must be free from the one-way ratchet of federalism, as my hon. Friend the Member for South Dorset (Richard Drax) said in his powerful intervention.

Ian Paisley

It was Samuel Johnson who observed that nothing so concentrates the mind like a hanging. As the gallows are being built next Tuesday for this withdrawal agreement, can the Secretary of State confirm whether any discussions are taking place about putting this motion off or about altering it in any way, or are the Government fixed on walking towards those gallows?

Dr Fox

The Government will continue to make the case for what they believe is a balanced and reasonable agreement. But of course the Government will want to talk to Members and want to look to ways to give reassurance to the House wherever we are able to do that.

Under this agreement, we will be free to decide for ourselves who comes to the UK, free to decide who fishes in our waters, free to decide how to support our farmers, free to open new markets around the world to the best that Britain produces, and free to consider new ideas such as the free ports that my hon. Friend the Member for Cleethorpes (Martin Vickers) outlined today. Above all else, the withdrawal agreement and the political declaration provide what Members on both sides of the House were calling for on behalf of business: stability and certainty; a firm foundation on which to continue to operate across the EU, which remains one of the most important of our export markets.

Vicky Ford

Labour Members seemed to suggest that they wanted to tear up the withdrawal agreement and go and negotiate something different with Brussels. Does my right hon. Friend agree that all trade agreements take time to negotiate, and that this withdrawal agreement gives us the breathing space to finalise that trade agreement and tearing it up is irresponsible?

Dr Fox

One thing that perhaps has not been fully understood in the public domain as a result of the complexities around Brexit is that it does not matter what model we want to have as the future partnership—we have to have a withdrawal agreement if there is to be any continuity. That is part of the article 50 process. We have to have a withdrawal agreement with a view to the future relationship that we will have. That is where the backstop comes in. The Irish Government, in particular, made it very clear that they would not be willing to contemplate a withdrawal agreement unless it had certain guarantees that are embodied in the backstop.

On that subject, it is very clear, and I entirely understand, why many of my colleagues do not like the concept of the backstop as it is constructed. I have to say that I share, as does the Prime Minister, many of those same anxieties. It comes down to a question of trust and, as the Attorney General said in his evidence to the House the other day, it comes down to a balance of risks. Many in the House have made it very clear throughout the day that they would not trust the European Union to release Britain from the backstop. That is a big worry that many of my colleagues share.

But it is equally true to say that, if you cross to the other side of the channel, there are those who take the view—which I understand is very difficult for some in this House to grasp—that this is a great and wily move on the part of the United Kingdom, because if it does not get what it wants in the future economic partnership, it could park itself in the backstop, not making any financial contribution and not having free movement, but having access to the single market. There are those in other countries who say, “Why should our taxpayers pay for the UK to have that privilege?” It would be very difficult for the Commission, which would ask, “What do we tell Norway and Switzerland, which do have to pay for that privilege of access to the single market?” We have to try

to understand that this does work in both directions, difficult though that may be for us conceptually.

Richard Drax

My right hon. Friend and I have had many face-to-face talks. This is not a wily move by the United Kingdom. This deal will allow the United Kingdom to leave the EU. The backstop very clearly, and we have heard it from the Attorney General, means that we may not be allowed to leave unilaterally—so stuck in it. It is not a wily move and the compromise down the middle deal has upset everybody. We need the unilateral right to leave this institution, as the people of this country instructed us to do.

Dr Fox

It is certainly true that there has been some movement on this issue. Originally it was envisaged that the backstop had to be permanent. Now the agreement is clear that it is designed to be a temporary measure. We should understand that, if we do not like the whole concept of the backstop here, it is also not liked in continental Europe. That should be the biggest incentive we have to never get there and to reach a trade agreement on a future partnership.

I was struck by the contribution of my hon. Friend the Member for Morecambe and Lunesdale (David Morris), who made a point that is worth reflecting upon. Had David Cameron brought this country back a deal that said, “You can be outside the single market, the customs union, the common fisheries policy and the common agricultural policy, make no contribution and end free movement,” I wonder what the reaction would have been at that point in history. That is the agreement we are talking about today. I know that I, for one, would have been biting his right hand off for an agreement like that.

Jim Shannon

In December 2017, I sought assurance from the Prime Minister and her reply to me was:

“I am very clear that we will not be a member of the single market or the customs union, and we were not proposing that any part of the United Kingdom will be a member of the single market or the customs union separate from the rest of the United Kingdom. The whole of the United Kingdom”—

that is the United Kingdom of Great Britain and Northern Ireland—

“will be out of the internal market and the customs union.”—[Official Report, 11 December 2017; Vol. 633, c. 48.]

It is understandable why, when I see the legal agreement, which says something completely different, I greatly mistrust what I am told by those in Government at this moment in time.

Dr Fox

The Government have the best interests of the whole Union at heart, which is why, for example, when we negotiate trade agreements, they are for the whole of the United Kingdom and not partial. The question was raised yesterday at the International Trade Committee whether the Government would implement during the backstop any trade agreement with the rest of the United Kingdom but not Northern Ireland. That would be very difficult to justify, exactly on the terms that the hon. Gentleman mentioned.

One of the most interesting speeches of the day was that of the shadow Chancellor, the right hon. Member for Hayes and Harlington (John McDonnell). In reply to the hon. Member for North Antrim (Ian Paisley), he said that the backstop would not be needed under Labour's plans because there would be a customs union. That is patently untrue. The regulatory gradient that would exist would not remove the need for a border and would address neither the anxieties of the Irish Government nor those of us in the United Kingdom who believe in the integrity of the Union.

The right hon. Gentleman said that Labour would negotiate a "comprehensive customs union", with a say in future trade agreements. Let me tell him what nonsense that is. Under EU law, the EU has exclusive competence over its common commercial policy, which includes trade agreements under article 207. The EU treaties set out clear provisions for concluding EU FTAs that provide a role for EU member states and the European Parliament. Those treaty provisions do not permit a non-EU member state—even one in a customs union with the EU—to play a decision-making role in concluding EU trade agreements. That was nonsense. It was another piece of ill-conceived Labour fantasy.

What we have heard today from those on the Labour Front Bench is an ill-researched, ill-understood, unrealistic and incredible policy. As we all know, Labour—to the great irritation of their socialist allies across Europe—are simply playing politics with this issue, at a time of great national decision making. They are out of their depth and not up to task.

Jim McMahon

On the backstop issue—the Secretary of State seems to have skirted it when challenged on it a number of times—the letter from the Attorney General, which has been sent to Members, was very clear that

"the Protocol, including Article 19, does not provide for a mechanism that is likely to enable the UK lawfully to exit the UK wide customs union without a subsequent agreement",

and that remains the case even if negotiations have broken down. The points that have been made are accurate and the Secretary of State has managed to skirt around that without answering it directly. So answer it directly.

Dr Fox

No, I answered the question. What I was concentrating on was excoriating the Labour party for the policy that it has set out today—a policy that is delusional because it does nothing that it actually claims it does. To the irritation of the European Union, the shadow Chancellor and his team do not even appear to understand the European law that they are praying in aid for their own ridiculous case.

John McDonnell

I say to the right hon. Gentleman: do not judge our ability to negotiate on the basis of the incompetence his party has shown for two years.

Dr Fox

Perhaps the right hon. Gentleman can tell the House—I will give him the opportunity—under which articles of a European treaty does the EU allow a non-member to have a say? Under which treaty? [Interruption.] For those Members who cannot lip-read, it appears the shadow Chancellor was saying that he would singlehandedly be able to rewrite EU treaties to be able to accommodate Labour party policy. What a shambles of an approach to a national negotiation.

Let me deal with a couple of other issues that have been raised in the debate.

Damian Green

Will my right hon. Friend give way?

Dr Fox

If I may, I will continue.

In the Select Committee yesterday, my hon. Friend the Member for Yeovil (Mr Fysh) raised an issue that I would like to address specifically. He was concerned that the backstop rules would bind the UK to EU state aid rules. I understand that he was specifically concerned about the defence sector, which has a major role in his constituency. Having taken advice, I am happy to inform him that, under the backstop, the UK would still have an exemption from state aid rules in respect of defence measures.

One of the themes today that I really feel I have to deal with is the constant refrain from Labour Members about the causes that led people to vote leave. They talked about everything except that people were unhappy with membership of the European Union, and we got the same condescension and the same patronising attitudes. People voted to leave the European Union because, after 40 years of experience of moving from the Common Market into the European Union with greater and greater politicisation and moving away from the concept of an economic union, they did not like it. They did not like someone having legal authority over them. They did not like someone else determining how to spend their money or someone else determining their borders.

We need to be clear about some of the alternatives being put forward.

Jim McMahon

rose—

Mr Betts

rose—

Dr Fox

I will not give way again.

My hon. Friend the Member for Gloucester (Richard Graham) was clear that we must beware of some of the siren voices on other alternatives, particularly the EEA/EFTA option. We would pay highly for such an option. We would have to negotiate membership from outside the EU. The EU members as well as the EFTA members would all have to agree such a membership. We would have full regulatory alignment inside the single market and have less freedom on future trade agreements than we have under the agreement being put forward by the Government. We would be hamstrung by rules on our financial services—not even able to set the rules in our own City—and we would have full freedom of movement applied to us. It could not be further from what the public voted for in the referendum.

Stephen Kinnock

rose—

Mr Betts

rose—

Gareth Snell
rose—

Dr Fox
I will not give way again.

The Government have made it clear that we want to take a balanced approach to the question of our future trading prospects. We acknowledge the need to maximise our access to the EU market, but without damaging our potential to benefit from the emerging trade opportunities in other parts of the world. I remind the House that the International Monetary Fund has said that 90% of global growth in the next five years, bringing its forecast forward, will occur outside continental Europe.

Ambitious arrangements have been made in the political declaration for services and investment—crucial to this country—arrangements that go well beyond WTO commitments and build on the most ambitious of the EU's recent FTAs. But we have also been clear that our future relationship with the EU would recognise the development of an independent UK trade policy and not tie our hands when it comes to global opportunities. The 27 nations of the EU constitute some of our largest trading partners. As a whole, some 44% of this country's exports of goods and services still go to the EU, although that proportion has diminished somewhat over the past decade or so. We have set out an approach that means the UK would be able to set its own trade policy with the rest of the world, including—let me be very clear—setting our own tariffs, implementing our own trade remedies and taking up our own independent seat at the World Trade Organisation. It is at the WTO and like bodies that proper global liberalisation is likely to take place. In an economy that is 80% services-orientated, the liberalisation globally of services will have a far greater impact on the future prosperity of the United Kingdom than anything that is likely to be done on a bilateral agreement in goods, which has largely been liberalised over the past 20 or so years.

Britain is well prepared for a global future. No other country has the same combination of fundamental strengths, which will allow us to thrive in an age where knowledge and expertise are the instigators of success. The inward investment into this country in recent months is testament to that. Not only have we maintained our place in global FDI—we have improved it. According to the UN, in the first six months of 2018, Britain was second only to China and ahead of the United States in terms of inward investment because of the strong economic fundamentals of this country that have been set down since 2010 by the Conservative Government. Our export and investment performance shows that the sceptics have been wrong and that Britain is flourishing. The divisions of the referendum now need to be consigned to the past. It is time to set aside our differences and lead our country to a future of freedom, success and prosperity.

Let us be clear about one thing. There are those who claim, and it has been claimed today, that Parliament can override the result of the referendum because Parliament is sovereign. I say this to them: on this particular issue Parliament subcontracted its sovereignty to the British people when it said, "We cannot or will not make a decision on this particular matter. We want the people to take this decision and issue an instruction to Parliament." The people of this country made that decision and issued that instruction. If we want to retain the public's faith in our democratic institutions, it is time for Parliament to live up to our side of the bargain. In politics, we cannot always have the luxury of doing what we want for ourselves, but we always have an abiding duty to do what is right for our country. I commend this motion to the House.

Ordered, That the debate be now adjourned.—(Gareth Johnson.)

Debate to be resumed on Monday 10 December (Order, 4 December).

Richard Graham (Gloucester) (Con)

On a point of order, Mr Speaker. Earlier, I intervened on the hon. Member for Dundee East (Stewart Hosie) to make a point about the difference in sentencing by courts of EU nationals and those from other countries. I want to make it clear that I intended no disrespect to European nationals, but I made the point clumsily—I illustrated it clumsily. I therefore want to apologise to anyone who took offence. I promise the House that that was absolutely not intended.

Mr Speaker

I fully understand the purport of what the hon. Gentleman has had to say. I think that he has set the record straight. It is not for me to act as arbiter of the merit or demerit of what a particular hon. Member says. Each Member takes responsibility for his or her own observations. However, in the circumstances which the hon. Gentleman described to me briefly some little while ago at the Chair, I quite understand why he wanted to say what he has just said. I thank him for doing so, and I think it will be noted and appreciated by colleagues.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op)

On a point of order, Mr Speaker. At the beginning of the debate we have just had, you made it very clear that it was expected that Members who participated in the debate would attend the Chamber for wind-up speeches. If I have misjudged this I will apologise, withdraw and sit down accordingly, but one Member spoke for well in advance of 20 minutes in this debate and subsequently never returned for the wind-up speeches. That was in excess of five times as long as some Back Benchers got. If there is a good reason, I will apologise and withdraw. If there is no good reason, how might this be placed on the record so that my dissatisfaction, which I think is shared by many on my side of the House, can be recorded?

Mr Speaker

I am grateful to the hon. Gentleman for his point of order. He is entirely correct in recalling what I said at the outset of the debate. That was a repeat of what I had said yesterday, which could brook no misunderstanding. Off the top of my head, and I do not think it is proper to air it here on the Floor of the House anyway, I am not sure to whom he is referring. Suffice it to say, unless there is a peculiarly compelling reason why somebody has to absent him or herself, and can therefore not be present for the wind-up speeches, Members who choose to speak in a debate should then be present for the wind-up speeches. The hon. Gentleman has registered his point with some force and obvious sincerity, and I respect what he has said.

Jim Shannon (Strangford) (DUP)

On a point of order, Mr Speaker. How do we put on record our thanks to you for your perseverance in chairing three days of these debates and, I have to say, for your incredible bladder? Mine would never be as good as yours.

Mr Speaker

I am extraordinarily obliged to the hon. Gentleman for what he has said. As far as I am concerned, it is a great honour and privilege to occupy this Chair. The matter that we have been discussing is perhaps the most important and momentous subject that we have debated in decades, and it may well prove to be the single most important issue that we will discuss here in the course of our careers, so for me as Speaker to seek to ensure that the maximum number of colleagues can participate and to have the opportunity to listen to all the points of view is, as I say, an honour and a privilege. I do not look for any thanks, but the hon. Gentleman is characteristically gracious, and I accept his warm remarks in the spirit in which they are intended. Thank you. We come now to the Adjournment—

Sir Hugo Swire
rose—

Mr Speaker

The right hon. Gentleman is quite fortunate; he is making two orations in the course of a day. He may have made orations outside the House as well—I do not know—but certainly in the Chamber, this will be his second oration.