

Brexit: what next?

Speech given by Matthew Pennycook MP to Open Britain Greenwich at the Forum, East Greenwich, on Saturday 17 November 2018

Thank you Rebecca for that introduction and before I begin let me say a big thank you to all the volunteers, particularly the Chair of the Greenwich branch of Open Britain, Michael Hilton, for all the effort that went in to making this event possible.

Ladies and gentlemen, can I also thank each and every one of you for coming this morning.

I really appreciate being given the opportunity to set out my thoughts on Brexit at some length and to discuss with such a large group of local residents, what remains the most fundamental set of decisions that have faced our country in the post-war period.

We have now entered the most critical phase in the Brexit process.

The next few weeks will determine whether or not Parliament endorses the withdrawal agreement that has been struck or, if not, what happens next.

You do not need me to bring home to you the gravity of the present situation.

The potential for a serious rupture in relations with countries that are among our closest friends and allies in the world is still very real, as is the potential for a political and constitutional crisis here at home.

What I want to argue today is that a sensible deal was achievable, albeit one that was never going to be as good as EU membership, that the government have failed to secure such a deal because of the way it chose to approach Brexit, that the deal that Mrs May has struck is inadequate and most importantly, that even as Brexit enters its eleventh hour, a range of options are still available to us.

To make that argument, I want to first look back at how we arrived at this moment and how things might have been different.

Then to give you my insight into Parliament's role in what remains of the Brexit process.

And finally, to say something about what I believe not only can, but must happen, in the event that Parliament votes down the deal that has been struck.

So, how did we arrive at this moment?

The process of separating ourselves from the highly integrated and unique supranational organisation that is the EU, after nearly half a century of membership, was always going to be fantastically complex.

And the process was also always going to be divisive, because the referendum result in no way resolved *how* we would leave and what our future relationship with the EU27 would be.

And Brexit was never going to deliver an outcome that was *better* than membership – no one who campaigned for remain ever entertained such a claim, I certainly never have, and only the most cavalier of Brexiteers continue to insist that it might.

Let's examine, for just a moment, one of central claims made by those who campaigned for leave: that Brexit would free the UK to strike a range of preferential trade deals with countries around the world.

That vision was always a fantasy and we said as much during the referendum campaign.

As I've personally argued in the Commons more times than I can remember over the past two years, the idea that future free trade agreements could ever compensate for a hard Brexit is nonsense.

The EU currently constitutes 44% of our exports and 53% of our imports.

Increases in trade from new trade deals with the USA, Canada, Australia and New Zealand *combined* would be worth less than 3% of our current trade in goods and services with the EU.

New trade deals with the BRIC countries, Brazil, Russia, India and China, would be worth just over 2%.

As an EU Member State, the UK can currently freely trade bilaterally with any country it wishes and we also currently benefit from 61 EU negotiated preferential trade agreements encompassing nearly half of the world's states.

To put all that at risk in pursuit of the hard Brexit gimmick that is "global Britain" would be, to quote the former permanent secretary at the Department of International Trade, Sir Martin Donnelly, akin to giving up a three-course meal for the promise of a packet of crisps in the future.

That is why Labour has been calling for a future relationship that includes a new, comprehensive UK-EU customs union, one that would allow us continue on current arrangements, to more easily roll over those 61 EU trade deals and give us a say on any future ones the EU negotiates.

But while most of us never bought into the pipe dreams of the Brexiteers, on trade deals, sovereignty and much else besides, few imagined, on either side of the channel, that it would take nearly 1,000 days for the UK and the EU to agree a basic divorce settlement.

One explanation for the painfully slow progress in the negotiations over the past 20 months is ill-preparedness. There is certainly something to that charge, particularly if one looks at how our government approached the early rounds of talks.

There has also clearly been a slow process within government of learning precisely what leaving the EU actually entails. Indeed, if Dominic Raab's admission that, and I quote, he "hadn't quite understood" the importance of the Dover-Calais crossing to UK trade is anything to go by, even the most prominent of Brexiteers are clearly still learning, even at this late stage.

But a more convincing explanation, in my view, is the simple fact that this government have spectacularly mishandled the negotiations.

And what I think needs to be understood is that that failure was not inevitable.

There is no direct line from the referendum result or the triggering of Article 50 to where we are now.

We have arrived at this moment because of choices made by this government and different choices could have been made at every step along the way.

Nothing forced this Prime Minister to adopt the most extreme interpretation of the referendum result: setting out red lines before the talks had even begun that swept a customs union and any means of participating in the single market off the table, along with any future role for the European Court of Justice. In so doing, she boxed our negotiators in and closed off options that should have remained open. And in not being prepared to abandon her red lines since, she alone ensured that the Irish border backstop would become Brexit's defining issue.

Nothing forced this government to equivocate and obscure what kind of future relationship it actually wants to have with the EU after we depart. From the outset, Brussels has been very clear about its position and unafraid to be open about its approach. In stark contrast, it took our government 15 months to even arrive at a coherent proposal for the future relationship at Chequers.

Nothing forced this government to fail to produce a legal text setting out its interpretation of the Joint Report agreed in December last year and certainly nothing forced Ministers to fail to properly digest the finer details of what they had signed up to in that report including a legally binding backstop that operates as an enforceable insurance policy against any future circumstance. At every turn, the Tory ministers tasked with Brexit have opted for bluster and bravado to the hard work and forensic attention to detail that has defined the approach of their EU counterparts. As a result, those counterparts have consistently set the terms for the talks that followed.

Nothing forced this government to repeatedly insult other EU Member States and the European project more generally. What on earth must the world think has happened to a country once admired for its diplomacy, its pragmatism and common sense, when our Foreign Secretary stands up and compares the EU to the Soviet Union? But Jeremy Hunt's reckless remark was only the latest in a long line of offensive comments that have damaged the trust and goodwill necessary for a smooth and successful negotiation. Imagine the tone that would have been set for the talks, if, instead of throwing red meat to Tory Brexiteers by casting the EU from the outset as the enemy that had to be crushed, our Prime Minister had opened the negotiations with a unilateral guarantee of the rights of EU nationals living in the UK as Labour have consistently called for.

And lastly, and perhaps most importantly, nothing whatsoever forced this Prime Minister to follow the path of a narrow and overtly partisan exit from the EU, rather than to square with the British people, make clear that a sensible deal would inevitably involve trade-offs and compromises, and on that basis forge a broad consensus in Parliament and across the country.

A different Prime Minister would have acknowledged that while the referendum result may have been clear, it was extremely close, and that the only prudent thing to do, particularly after a bruising general election in which the voters made clear their opposition to a hard Brexit and deprived the governing party of their majority, was to reach out.

Parliament could have been embraced rather than pushed away at every turn. Brexit legislation could have been passed by broad consent rather than in the face of trenchant opposition. Detailed impact analyses of different exit scenarios could have been produced and shared in a spirit of cooperation rather than cobbled together under duress.

Instead, May chose to go it alone, striking an expensive bargain with the Democratic Unionist Party – a party by the way that cannot even claim to represent the overall referendum result in Northern Ireland – and using that marriage of convenience to ram through flawed legislation in a series of knife-edge votes. In so doing, May has herself ensured that the parliamentary arithmetic for the approval of the withdrawal agreement will be extremely problematic.

Jo Johnson was right: the last 19 months represent a spectacular failure of British statecraft.

Looking back at what has happened during those 19 months, it's difficult to escape the conclusion that if a government had deliberately sought to sabotage a sensible and orderly exit from the EU, there is little it would have done differently to what this Tory government has chosen to do.

At every turn the Opposition has highlighted the flawed nature of the government's choices and pressed for them to change course.

We have voted against the government on Brexit hundreds of times, urging them to think again on each occasion.

But, at every turn, those pleas have been dismissed out of hand.

The truth is this government's whole approach to the negotiations has been premised on what Theresa May can get through her cabinet and her divided party, rather than what is in the national interest.

I genuinely believe that things could have been very different and that under the stewardship of nearly any other government, of either party, they may well have been.

That is a view that I believe is shared by a great many of those I represent.

From the moment the final votes were tallied in 2016, long before 'Vote Leave' was found by the Electoral Commission to have infringed electoral law or the National Crime Agency opened an investigation into wrongdoing on the part of Arron Banks and his Leave.EU campaign, there have been those who simply did not accept the referendum result.

Anyone who has taken such a view has an absolute right to do so.

I have no time for those who claim that continuing to oppose Brexit under any circumstances is undemocratic and who use the misguided notion of "the will of the people" to silence legitimate democratic debate.

But I took a different view, believing that having made clear to those I had sought to persuade to vote for remain as I did, up to and including polling day, that the result, whatever it turned out to be, could not simply be noted, ignored or overturned but instead had to be honoured by voting to allow the negotiations to begin.

And to the extent that I was able to gauge local opinion in the aftermath of the referendum, I believe that the majority of those who voted remain locally felt the same.

Like me, they were angry, upset and bitterly disappointed at a result they never imagined was possible but nevertheless they accepted it and were willing to give the government the chance to negotiate a sensible and orderly exit.

But having witnessed for themselves the chaos of the past 19 months, is it any wonder that many who took that view are no longer willing to give this government the benefit of the doubt.

If my own postbag is anything to go by, it is that that explains why so many people marched on Saturday 20 October in support of a second referendum, not because they think another public vote is necessarily the best idea, but because they increasingly see no way of avoiding a deeply damaging exit from the EU and because they wanted to register their disquiet about a government that has been negotiating with itself rather than in their interest.

But while no parliamentarian can ignore the fact that hundreds of thousands marched peacefully and respectfully through our capital in support of another referendum, the march does not alter the fact that parliamentarians will still need to judge and vote on the withdrawal agreement in a few weeks' time.

And it is to the complexities of Parliament's role in what remains of the Brexit process that I now want to turn, not in an attempt to obscure or avoid the bigger picture, but because when it comes to Brexit the process matters, it has always mattered and it matters immensely.

With a deal now struck in principle and approved by the Cabinet, a specially convened EU summit will now take place on Sunday 25 November to sign off the agreement.

That summit will pave the way for the agreement to be ratified by both sides, with MPs likely to be asked to vote on the deal before the Christmas recess.

As the next few weeks unfold, the public needs to be clear about exactly what it is that Parliament will be voting on.

Parliament will not be voting on the 'final deal' as many imagine it might.

Even if the withdrawal agreement is approved, the final relationship will take years to negotiate.

As such, and for all the fuss on the Tory benches, MPs will not be voting on the Chequers proposal.

The deal that MPs will be asked to approve is merely the divorce settlement, the exit agreement that would pave the way for substantive negotiations on the final deal.

The deal which has been struck and that will be put to MPs will be made up of a legally binding withdrawal agreement, covering mainly the three key priority exit issues, namely citizens' rights, the financial settlement and the status of Northern Ireland, and a non-binding political declaration that sets out both sides' aspirations for the future relationship.

MPs will almost certainly be asked to approve or reject the package as a whole and we'll be asked to do so on the basis of a motion moved by a Minister of the Crown.

As those among you who have been following the process closely will know, parliament will have a meaningful vote on that motion but precisely how meaningful has been strongly contested.

Throughout the negotiations, Labour have been pressing for a meaningful vote that would allow Parliament to indicate to the government, in the event that the deal is voted down, that it desires a re-examination of particular aspects of the deal or even a fundamental change of approach.

As I argued from the despatch box on behalf of the Opposition at the time of the key vote on the issue, a vote on the deal that did not provide for that – that merely took the form of a “take it or leave it” choice – would not be a meaningful vote.

If Dominic Grieve had voted for his own so-called ‘Grieve II’ amendment on 20 June, MPs would have secured in statute that genuinely meaningful vote.

As it was, at the last moment, having marched his troops up the hill, Grieve capitulated, accepting vague reassurances from Government Ministers that the vote would eventually be amendable.

I believe he was wrong to do so.

As we now know, the government have tried to ensure that their motion is not amendable, meaning that MPs would have no chance to vote on amendments before the conclusive up/down vote on the deal takes place.

In a positive development yesterday, the Commons Procedure Committee recommended that the motion should be amendable and reports suggest that the government have now conceded that it will be.

Whatever the outcome of the meaningful vote, the political reality is that Parliament will not allow this government to crash us out of the EU without a deal.

The majority voice in Parliament will find a way to make itself heard.

That is not only because the vast majority of MPs know that exiting the EU without a deal would be an unprecedented catastrophe, but because they also know that talking up such a scenario, as the government has done throughout the talks, is a bluff and it is a crude one at that.

The truth is that we are simply not prepared to exit the EU on 29 March next year without a deal.

The flimsy ‘no deal’ guidance issued over recent months proves that beyond a shadow of a doubt.

And Mrs May and her ever-shifting cabinet knows as much.

And they also know that attempting to take us out of the EU with no deal without parliamentary consent is fanciful.

That is not just an assertion, it is a fact.

The 106 ‘no deal’ technical notices issued since the summer themselves show why: a no deal exit would require further legislation in 51 areas, the creation or expansion of 15 quangos, the negotiation of 40 new international agreements either with the EU or other countries, and the introduction of 55 new systems and processes.

The idea that an exercise of that complexity could be carried through in the face of majority opposition in the Commons is ludicrous.

There is one reason and one alone that explains why May and her Ministers have consistently talked up a no deal exit, and that is that they hope that the fear of it will terrify MPs into supporting the inadequate deal she has struck.

There is no majority among parliamentarians in favour of a no-deal departure and as I have repeatedly said over recent years, crashing out of the EU on that basis cannot be allowed to happen.

But that doesn't mean that MPs must surrender their critical faculties and be prepared to wave through any agreement struck.

That is why parliamentarians, whatever their political allegiance, need to hold their nerve when it comes to the so-called meaningful vote.

And make no mistake. There will be considerable pressure on MPs from all directions to vote for May's flawed deal.

We only have a vague sense of it at present but despite the chaos of the past few days, I suspect the mood music around the deal will soon change, particularly in the aftermath of the specially-convened summit on Sunday 25 November.

At the conclusion of that summit, both sides will appear beneath the Union Jack and the Flag of Europe to proclaim their joint achievement.

European leaders will praise Mrs May and her dogged persistence in working for a deal.

Those same European leaders will urge British parliamentarians and the British public to back it.

And leaders from further afield will add to the chorus of praise.

The markets will also react.

In all likelihood the pound will surge.

And businesses in every part of the UK that long ago abandoned hope of a business-friendly deal, will begin to urge their MPs to give them the short-term certainty that any deal would provide.

That is why cool heads will be needed.

From the outset of this whole process, it has been clear that the meaningful vote offers the only real opportunity to decisively influence the course of Brexit.

For all the passions stirred over the past 19 months, the rest I'm afraid has amounted to little more than noise.

That is why, when it comes to casting their vote, it will be the responsibility of every MP to soberly assess whether the deal brought back protects and advances our long-term national interest, not merely whether it averts catastrophe.

Tipping her hackneyed phrase on its head, the Prime Minister may now claim that her bad deal is better than no deal, but a bad deal is still a bad deal even if it is marginally better than none at all.

I promised constituents at last year's general election that if final deal did not work for our country and for our constituency, I would not support it. When I made that promise, I did not mean I would abstain in such circumstances, I meant I would vote against it.

And because the draft deal that Mrs May has struck is clearly not good enough, because it does not meet our six tests, and perhaps most worryingly for me, because the political declaration is so imprecise and provides no guarantees that the future relationship will not ultimately take the form of a hard Brexit, I will be voting against the deal on offer and every other Labour MP will be asked to do the same, with a strong three-line whip to vote it down.

The meaningful vote is likely to be the most momentous vote of my time in office, however long or short that time may be.

But to be prepared in that division to vote the deal down, MPs have to first accept that the choice we face is not merely a binary one between the deal on offer and no deal at all.

And make no mistake, that is precisely how the Prime Minister has, and will continue to frame the vote ahead.

Despite the flurry of excitement it generated on social media, the idea that Theresa May seriously entertains 'no Brexit' as an outcome is just wrong.

While she raised the spectre of Brexit being put at risk if her deal was not approved on Wednesday - just as she did at Tory Party conference in October - she has made clear repeatedly, and did so again in her statement to the Commons on Thursday, that a government she leads will never countenance remaining in the EU.

Her threat was simply a none too subtle means of trying to bring Tory Brexiteers into line and it clearly failed.

Yet the argument that it is the deal before us or no deal will continue to be advanced mercilessly in the days and week ahead, and not just by Mrs May.

The argument is false one and it must be resisted.

If MPs do resist that false choice, I am convinced that Parliament can secure the chance to decisively shape what happens next.

Let me turn finally to what I believe not only can, but must happen in the event that Parliament votes down the deal.

If, having examined the withdrawal agreement put before them, a majority of MPs do not believe it is good enough and have voted it down, all options must be on the table.

And I mean all options. That is why I have never ruled any out.

Just as the precipice we have been brought to by this government was not an inevitable consequence of the referendum result, even as we enter the final stage of the Article 50 process we still have a wide range of choices.

The composite motion that was passed at Labour's annual conference in Liverpool sets out the contours of the close economic relationship that we believe is in the country's long-term interest, the options that we believe should be considered in the event of the deal being voted down and the process that Labour will adhere to if it is.

Those options include instructing the government to go back to Brussels and renegotiate the deal so that it keeps us closely aligned to the EU over the long-term and minimises the disruption to trade, to supply chains and to business in general that would be created by a hard Brexit. In short, to insist the government not just to breach but to abandon its red lines in order to soften the definition of what Brexit can mean so that it's acceptable to the sensible majority in Parliament.

Keir Starmer and I were last in Brussels only 10 days ago meeting EU Officials and Parliamentarians and they remain receptive to a deal of that kind, just as they remain open to an extension of the Article 50 process if required.

Those options also include a general election that would give us an opportunity to sweep away this government and to pick up the negotiations on the basis of different priorities.

And, if we cannot secure either of those options, it includes the option of campaigning for a public vote.

And if we accept that a choice between the deal Parliament had already voted down and no deal at all could not seriously be the proposition put before the British people in such a vote, remain could not be ruled out as an option.

Any constituent who has written to me in support of a second referendum at any point over the past two years, including I might add the period before I was a Shadow Brexit Minister, will know that I have serious and longstanding concerns about both the desirability and practicality of holding one.

It will, I am sure, disappoint many of you here today, but my view on the subject has not changed and I will not stop pointing out in advance the risks that I believe are involved in another public vote to those that believe a second referendum is a panacea for all our ills.

Even if we set aside the very real issues around the timing of any public vote and what the questions would be on the ballot paper, it is beholden on everyone to think long and hard about the implications and the risks involved.

We find ourselves in this mess precisely because a former Prime Minister played fast and loose with a referendum – believing he could use one to resolve a party management issue, to meet the challenge of a rising UKIP and to put Labour, unwilling to risk our European future on a public vote, on the back foot.

In so doing, Cameron turned an issue that wasn't poisoning our politics to any significant degree into one that has polarised the country top to bottom and risks fracturing our precious union.

It's because I have always believed that referendums are blunt and divisive tools by which to try resolve profound questions of this nature, and because I fear that another vote could entrench the divisions in our country and reinforce the culturally divided nature of our politics, that I have always harboured deep reservations about another one.

But while another referendum would be fraught with risk, including the real risk that a 'no deal' option is on the ballot paper and that the public votes for it, at the point that Parliament has voted down the deal, any option is fraught with risk and at that stage the risks entailed by a public vote would pale in comparison to the risks of leaving the EU without a deal.

That is why I have always believed that the option of another referendum must be kept open.

If the deal is voted down, if the Prime Minister will not abandon her red lines and return to the negotiating table to get a better deal, if general election can't be secured, and if the alternative is crashing out of the EU without a deal, then I would have no hesitation in supporting another public vote.

That is my position and I'm pleased that it's also the position my party united behind at our annual conference.

The decision as to what we do if the withdrawal agreement is voted down is not yet upon parliamentarians, but it soon will be.

What I hope you will take away from my remarks today is that we have arrived at this moment because of political choices that were made by our government, that different choices could have been made along the way and a different outcome secured, and, most importantly, as I said at the outset, even as Brexit enters its eleventh hour, we still have choices.

In confronting those choices over the next few weeks, the response of parliamentarians must be guided, not by short-term party political considerations or the particular electoral dynamics of any given constituency, heavily leave or heavily remain, but by what will protect and advance our long-term national interest and by what option holds out the best prospect of healing the divisions of the referendum and bringing the country back together again.

Ladies and gentleman, thank you very much for listening.