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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 6 December 2018

House of Commons

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

EXITING THE EUROPEAN UNION

The Secretary of State was asked—

Third-country Trade Agreements

1. **Mr Ranil Jayawardena** (North East Hampshire) (Con): What recent discussions he has had with the Secretary of State for International Trade on the implications of EU withdrawal negotiations for potential trade agreements with third countries after the UK has left the EU. [908036]

The Secretary of State for Exiting the European Union (Stephen Barclay): I have had a number of discussions with my right hon. Friend the Secretary of State for International Trade, as we build on the political declaration's recognition of an independent free trade policy. As with the withdrawal agreement, we will be free to negotiate, sign and ratify free trade agreements during the implementation period.

Mr Jayawardena: On a personal level, may I welcome my right hon. Friend to his new position? Britain must seize its amazing opportunity to forge a new role in the world as a beacon of free trade, and an important part of that is implementing not only primary but secondary legislation. Will the Secretary of State update the House on the progress of primary and secondary legislation, and say when some of it will come forward?

Stephen Barclay: My hon. Friend is correct to focus, with his keen eye, on the importance of secondary legislation, and significant progress is being made. To date, we have laid before Parliament more than 220 statutory instruments out of a target of 700. We have made significant progress, and my hon. Friend is right also to look to the opportunity that we will have as an independent free trade nation.

Hilary Benn (Leeds Central) (Lab): May I join the hon. Member for North East Hampshire (Mr Jayawardena) in welcoming the Secretary of State to his first appearance at questions to the Department for Exiting the European Union? When he and Oliver Robbins appeared before the Exiting the European Union Committee on Monday, the question was raised about what will happen to the 40 or so trade agreements to which we are party because

of our membership of the European Union and which relate to about 70 countries. We were told that the EU has said that it intends to inform those countries that they ought to interpret those deals as continuing to apply to the UK during the transition period, but Mr Robbins said that that is “not the same” as a guarantee. What assurances can the Secretary of State give to businesses that trade under those arrangements in many parts of the world if our own negotiators say that there is no guarantee that the deals will continue to apply?

Stephen Barclay: I thank the right hon. Gentleman for his kind remarks. He is right—we did explore that issue in Committee—and the point is about the significant progress that has been made in our bilateral discussions with those countries. He is right to say that that is not an absolute guarantee—that was the point made by Mr Robbins—but significant progress is being made.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): Further to the question from my right hon. Friend the Member for Leeds Central (Hilary Benn), contracts in those trade agreements are worth more than £73 billion of exports and about £74 billion of imports. That is a serious matter for businesses in the Secretary of State's constituency, and mine, that might be trading under those agreements. In the event of no deal, we will lose those agreements from 30 March next year. Is it time that he and the Government made a statement to the House, to set out in detail the implications for UK businesses of losing access to those trade agreements, which we have been part of negotiating over the past 45 years?

Stephen Barclay: The hon. Lady and I explored that point in Committee, and it is not the case that in the event of no deal we would lose those agreements, because we are having those bilateral discussions. She points to a wider point, however, which is that the deal on the table from the Prime Minister is the way to deliver the certainty that our country needs and what the business community wants. That is why it is the right deal, the only deal and the deal the House should support.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I welcome the Minister to his new post, and I hope he stays around long enough to realise how complex the world is in terms of international trade. Will he look forensically at what really happened with Bombardier, which was part of a complex supply chain? He does realise—does he not?—that no deal is as good as staying in the European Union.

Stephen Barclay: I feel that I should look to the hon. Gentleman when it comes to sticking around, because he is a good model for many of us in the House. He is right to mention the importance of Bombardier. Notwithstanding points that have been raised from a constitutional perspective—I know colleagues in the Democratic Unionist party have raised that issue—the head of Bombardier in Northern Ireland made it clear that the deal that the Prime Minister has secured from the European Union is the right deal for Bombardier and for Northern Ireland.

No-deal Legislation

2. **Mr Jim Cunningham** (Coventry South) (Lab): What estimate he has made of the volume of new legislation required in the event that the UK leaves the EU without a deal. [908037]

9. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What estimate he has made of the volume of new legislation required in the event that the UK leaves the EU without a deal. [908044]

The Secretary of State for Exiting the European Union (Stephen Barclay): We continue to put the legislative building blocks in place to deliver our exit, and we have made good progress in passing the required primary legislation, including on nuclear safeguards and sanctions. As I said earlier, we are laying exit-related statutory instruments before Parliament.

Mr Cunningham: Will the UK be ready for a no-deal Brexit by 30 March 2019 if the withdrawal agreement is voted down next week?

Stephen Barclay: Given that in politics one is sometimes asked for short answers, I feel that I should stop my answer with the word “yes”. Yes, we will be ready. This is an opportunity to pay tribute to the work that the Under-Secretary of State for Exiting the European Union, my hon. Friend the Member for Daventry (Chris Heaton-Harris), is doing on no-deal planning; a significant amount of work has been done. Let us not lose sight of the fact that the situation will also be very challenging: there is a huge amount to do as part of that no-deal planning. So yes, we will be ready, but significant work will be required.

Dr Huq: I thank you for hosting the Patchwork Foundation MP of the year awards last night, Mr Speaker; I thank the organisation for the great work it does for people of non-traditional backgrounds.

The Prime Minister and her Ministers continue to prove Danny Dyer right, who talked of the “mad riddle” of Brexit. They pose their deal, no deal or no Brexit. What concrete assurances can they give the university representatives I met yesterday about what happens to their millions of euros of monthly research funding if we crash out with no deal on 1 April? The last they heard was a letter from the now long-departed hon. Member for Orpington (Joseph Johnson)—he, they, I and the majority of my constituents want no Brexit.

Stephen Barclay: It might surprise you, Mr Speaker, but I was not able to join your social gathering last night.

Mr Speaker: Neither was I!

Stephen Barclay: We are both dealing with the complexity of the issues.

On the substance of the point raised by the hon. Lady, I should say that this is the very essence of why we need the certainty that the deal offers. The alternatives that she points to are the uncertainty of no deal or of a second referendum. I know she desires a second referendum, given a number of questions she has put to the Prime Minister, but that would bring uncertainty to our democracy and politics.

Mr Speaker: I gather that the hon. Lady was given the award of Labour MP of the year; I have a feeling that the relevant west London media organs will soon be aware of this important fact, if it has not been divulged to them thus far.

Joanna Cherry (Edinburgh South West) (SNP): If, or when, the withdrawal agreement is voted down next week, no deal is not the only option. There is a third option—to revoke article 50. We know what the Advocate General said earlier this week. Is the Secretary of State aware that the Grand Chamber of the Court of Justice of the European Union will give its final opinion—the opinion of 26 judges—on this issue at 8 am on Monday? MPs will therefore have the answer to the question whether article 50 can be unilaterally revoked. Can the Secretary of State confirm that he will be coming to the Chamber, in the wake of that decision, on Monday afternoon, to make a statement about the implications of the judgment of the Grand Chamber?

Stephen Barclay: The hon. and learned Lady has discussed these issues with the Attorney General on a number of occasions. Obviously, I cannot prejudge the court case, but the position of Her Majesty’s Government is very clear: we will not be revoking article 50, and there is a reason for that. The Commission has a very similar view: if someone could revoke, in essence they could go to the last day of a judgment and then revoke and retrigger the process. That would make a mockery of the two-year period for article 50 and that is why we do not think that is the right position.

Matthew Pennycook (Greenwich and Woolwich) (Lab): The Office for Budget Responsibility’s analysis of the recent Budget suggested that there could be an underspend of up to £400 million in the £1.6 billion Brexit funding pot that the Chancellor allocated back in March to prepare for leaving the EU. Will the Secretary of State tell the House precisely how much of that Brexit funding pot has not yet been spent?

Stephen Barclay: Such is the Labour party’s desire to spend that the idea of any underspend is anathema—there is always a desire to spend more and spend more again. As the Chancellor has made clear, the Budget money will be allocated to deliver on the no-deal plans. The significance of those plans is recognised in government and all the requests that have been made have been discussed in the usual way and gone through the usual Treasury clearing process.

Matthew Pennycook: Given that the Department’s role is now largely confined to domestic preparations for exit, many will find that answer deeply troubling. But it is not surprising that no-deal preparations are not being taken seriously, because they have been a bluff from the start. Yesterday, the Chancellor told the Treasury Committee that the infrastructure works needed to prepare the port of Dover for an exit on World Trade Organisation terms would take years, not months. With 113 days left, will the Secretary of State now take this opportunity to rule out a no-deal Brexit once and for all—before this House does it for him?

Stephen Barclay: The hon. Gentleman has clearly not read the transcript of my session at the Select Committee. What he will see from that is that the role of

the Department is not constrained to merely the domestic side, although that is of huge significance. We are also focused on moving forward on the political declaration and looking to the future. Yes, the withdrawal agreement deals with the winding-down of our relationship of over 40 years with the European Union, but we are also focused on taking forward the political declaration to deliver on the future trading relationship that we want with our closest trading neighbour.

Free Movement and Scotland

3. Martyn Day (Linlithgow and East Falkirk) (SNP): What recent discussions he has had with the Secretary of State for Scotland on the potential effect on the Scottish economy of the proposed abolition of the free movement of people between the UK and the EU after the UK leaves the EU. [908038]

19. Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): What assessment the Government has made of the potential effect on the Scottish economy of the proposed abolition of free movement of people after the UK leaves the EU. [908059]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): With your permission, Mr Speaker, I will take Questions 3 and 19 together.

The Secretary of State has regular discussions with his Cabinet colleagues. We also engage with the Scottish Government through the Joint Ministerial Committee and the ministerial forum, which I co-chaired on Monday. The political declaration makes it clear that free movement will end. We will design a future immigration system that works for all parts of the UK.

Mr Speaker: I had no previous notice of that intended grouping, but it is, as far as I can see, unexceptionable.

Martyn Day: The average EU citizen living and working in Scotland contributes £10,400 a year in tax revenues. Does the Minister think it is acceptable to cut the Scottish tax intake by £2 billion by 2040?

Mr Walker: We all recognise the valuable contribution of EU citizens in our communities. That is why we are looking to secure a deal that makes sure that EU citizens working and living in the UK, and UK citizens living in the EU, are fully protected under the terms of the withdrawal agreement.

Stuart C. McDonald: Freedom of movement is fantastic for Scotland's economy and provides amazing opportunities for our young people. To what extent would migration form part of negotiations on the future relationship, and why have we not seen the immigration White Paper?

Mr Walker: I am sure the Home Office will be coming forward with details of future immigration policy shortly. However, it is also important that we set out in our White Paper—it is reflected in the political declaration—that important elements of labour mobility will form part of those negotiations. It is also clearly reflected in the political declaration that free movement will come to an end when we leave the EU.

Peter Grant (Glenrothes) (SNP): I welcome the Secretary of State to his first Question Time. The Prime Minister listed the end of the free movement of people as the single biggest cause for celebration in her deal. The reality is that, every week, Fife is losing talented young families, who are leaving their home and the land where they belong because they do not want their children growing up in a place where they have been regarded as bargaining chips and queue jumpers. That is causing enormous heartache to thousands of my fellow Fifers and to hundreds of thousands of my fellow Scots. Will the Minister explain why I should celebrate that?

Mr Walker: From the Prime Minister downwards, we have always been clear that we hugely value the contribution of EU citizens living all over our country; we want them to stay, and we will make sure that they can stay under any circumstances. However, the best way to do that is to secure the agreement we have negotiated and to secure citizens' rights arrangements for 4 million citizens, including many UK citizens living in the EU.

Peter Grant: It is very hard to reconcile the reassuring words from the Minister with the fact that the Prime Minister herself used the phrase “queue jumpers” to refer to thousands of my constituents and tens of thousands of my fellow Scots. The Government's own analysis has shown that every single Brexit scenario they could think of—ending the free movement of people, cutting migration from the European Union to somewhere close to their ridiculous target—damages our economy in the longer term. As well as being morally repugnant and socially divisive, ending the free movement of people is economically stupid and violates the sovereign will of the people of Scotland. Does the Minister agree that anyone in this House who claims to stand up for Scotland has only one option next week, and that is to thoroughly reject this miserable deal and to get back round the negotiating table?

Mr Walker: I do not think the hon. Gentleman will be particularly surprised to hear that I do not agree. I believe that the sovereign will of the people of Scotland he referred to was to stay in the United Kingdom. The United Kingdom has voted to leave the European Union and end free movement. However, every scenario in the Government's analysis showed our economy continuing to grow.

Welsh Assembly

4. Hywel Williams (Arfon) (PC): What recent discussions he has had with representatives of the National Assembly for Wales on the proposed withdrawal agreement and political declaration. [908039]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): No unexpected question pairings this time, Mr Speaker.

I have appeared twice in front of the Assembly's External Affairs and Additional Legislation Committee this year, most recently on 11 October, to provide evidence on the UK's exit from the European Union. I also regularly engage with the Welsh Government, with whom I had a call this morning. Earlier this week, I co-chaired the sixth meeting of the ministerial forum for EU negotiations, which three Welsh Ministers attended. We remain committed to engaging fully with the devolved Administrations and legislatures.

Hywel Williams: I thank the Minister for that answer. In the Exiting the European Union Committee on Monday, the Government's chief Brexit adviser told me that Welsh representatives will not sit on the new joint committee of five. He said that the Joint Ministerial Committee might be used, or

“other structures that may be invented in due course.”

The JMC is widely seen as not being fit for purpose—for example, by the recent inter-parliamentary forum on Brexit, which I attended. What are those proposed invented structures, and when and how will they be activated?

Mr Walker: This is an issue that we take very seriously. The ministerial forum, which I co-chair with the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Norwich North (Chloe Smith), who is the Minister for the constitution, has had some very useful engagement, in addition to the JMC structure. My new Secretary of State has already attended his first meeting of the JMC. We intend to keep moving forward and talking to and including the devolved Administrations in our approach.

Wayne David (Caerphilly) (Lab): Under the Government's post-Brexit UK prosperity fund, will funds be allocated on the same basis and to the same areas as under the current European structural funds?

Mr Walker: The hon. Gentleman asks an interesting question. Clearly, work is still ongoing on the UK shared prosperity fund. There is a huge opportunity to do better than the European structural funds. Our country sends millions of pounds into the European structural fund system, and they never return to our country. In the future, the UK shared prosperity fund can deliver more effectively for every part of the United Kingdom.

Manufacturing Industry

5. **Liz Twist** (Blaydon) (Lab): What assessment he has made of the potential effect of the proposed withdrawal agreement and political declaration on the manufacturing industry in the UK. [908040]

8. **Mohammad Yasin** (Bedford) (Lab): What assessment he has made of the potential effect of the proposed EU withdrawal agreement and political declaration on manufacturing industry in the UK. [908043]

The Parliamentary Under-Secretary of State for Exiting the European Union (Kwasi Kwarteng): The Government's analysis shows the deal that the House is considering will deliver for every section, region, nation and sector of our country, including the manufacturing sector. I assure the hon. Member for Blaydon (Liz Twist) that it has grown by 9.5% since 2010.

Liz Twist: The Attorney General's legal advice on the backstop states:

“any GB goods crossing the border into the EU will be subject to third country checks”.

How much damage does the Minister think that will cause to manufacturers, like those in the north-east, where my constituency is based, who rely on just-in-time supply chains?

Kwasi Kwarteng: The prospects for manufacturing under the Government's policy are actually very strong. [Interruption.] I will answer the hon. Lady's question. I think the House will be very interested to learn that Sir Roger Carr, the chairman of BAE Systems, which has locations near the hon. Lady's constituency, said that the deal is

“something that had the key elements of what people were looking for, particularly in the sense of a pathway to frictionless trade, control of our borders and preservation of the UK.”

Manufacturing has nothing to fear from this deal.

Mohammad Yasin: No. 8, Mr Speaker.

Mr Speaker: The hon. Gentleman must have been momentarily inattentive. His question has been grouped with this. His chance is now.

Mohammad Yasin: Dunbia Cardington is a major employer in Bedford. Despite years of trying to recruit staff locally, the business relies on workers from the EU, who make up 90% of the workforce. Does the Minister agree that the Government's future immigration policy, which restricts the low-skilled workforce that the factory depends on, puts the future of the company at risk?

Kwasi Kwarteng: I completely reject that idea. As we have stated very clearly, the rights of EU citizens who are already here are absolutely guaranteed under the terms of the withdrawal agreement. We look forward to having a skills-based immigration policy that will absolutely guarantee that the talent we need can come to this country.

Mr Philip Hollobone (Kettering) (Con): Will the Minister confirm that the proportion of the British economy that is dependent on EU-linked supply chains is just 3%?

Kwasi Kwarteng: Those are my hon. Friend's figures, and I know what his views on the subject have been over many years. The deal under consideration will be a sure footing on which we can grow the economy. I think the scare stories are misplaced and we have a bright future ahead, particularly in relation to our exports and our trade policy.

Sir Desmond Swayne (New Forest West) (Con): Why would the world's eighth largest manufacturer want to leave 20% of its economy subject to the acquis?

Kwasi Kwarteng: My right hon. Friend has well-known views about these issues. Many manufacturers and businesspeople in Britain seek an assurance that they will be able to trade freely with the EU, and I think the *acquis communautaire* is something that they value.

Sir Vince Cable (Twickenham) (LD): The Minister will be aware that engineering employers and the CBI have given cautious support to the Government's proposal on the basis that the transition and the common customs area will protect their supply chains. What further reassurance can he give them that these arrangements might be long term, or even permanent?

Kwasi Kwarteng: The right hon. Gentleman is absolutely right, and I commend him for his honesty in suggesting that many businesspeople think the deal is a very good one. Certainly, businesspeople in my constituency want the deal to go ahead. I think that we will secure a

frictionless or very good free trade arrangement with the EU, and I think that our businesses will grow and be encouraged by the free trade agreement that we get.

Jenny Chapman (Darlington) (Lab): Labour's policy of a permanent customs union is supported by, among others, the TUC, the CBI and the Engineering Employers Federation, which said:

"Loss of access to both the single market and the customs union would condemn the manufacturing sector to a painful and costly Brexit."

On 17 July, this House came within six votes of accepting a customs union as a negotiating objective. Is it not obvious that if the Prime Minister supported it and ignored the empty threats of the European Research Group, there would be a majority in this House for a customs union?

Kwasi Kwarteng: The hon. Lady makes a fair point, but she will also appreciate that the deal under consideration is supported by businesses for that very reason. It can secure ongoing relationships with the certainty that we need. The problem with the Labour proposal of permanent membership of the customs union is that it completely destroys any idea that we can have an independent trade policy, which is set out on the first page of the political declaration. The Labour proposal is unambitious and completely constrains our ability to do the independent trade deals that will drive our economy in the future.

Scotland's Place in Europe

6. **Alan Brown** (Kilmarnock and Loudoun) (SNP): If he will make an assessment of the potential merits of the recommendations contained in the Scottish Government document, "Scotland's place in Europe: assessment of UK Government's proposed future relationship with the EU". [908041]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): As co-chair of the ministerial forum on EU negotiations, I regularly engage with Scottish Government Ministers, most recently with Ministers Dey and Wheelhouse earlier this week. They presented me with a copy of the document to which the hon. Gentleman's question refers. The deal protects key Scottish interests, including by protecting UK geographical indications and exploring continued participation in EU programmes such as Horizon. However, contrary to the Scottish Government's assessment, the political declaration confirms that we are leaving the common fisheries policy and does not link access to waters with access to markets.

Alan Brown: The European parliamentary research service has estimated that a potential value of up to €1.1 trillion per year could be realised from further easement of cross-border movement of goods and services, completing the EU digital single market and increasing cross-border public procurement. Surely, the UK Government should listen to the Scottish Government and look at staying in the customs union and single market for the financial benefits that doing so will bring.

Mr Walker: The hon. Gentleman makes the very good point that the single market in services was never completed, and it probably never will be. It is in the UK's interests to deliver on the outcome of the referendum,

move on from leaving the single market and the customs union and deliver a new relationship with the EU. Many people, including those in the party to which the hon. Gentleman belongs, told us that that would never be possible, but the political declaration makes it clear that it is.

Patrick Grady (Glasgow North) (SNP): The Government are paying lip service, at best, to the views of the Scottish Parliament and Scottish Government. In reality, I think they simply do not give a stuff about what people think north of the border. Yesterday, Scottish Conservative spokespeople were describing a debate in the Scottish Parliament as "needless". Does the Minister honestly agree with them that the Scottish Parliament—and, for that matter, the Welsh Assembly—do not need to debate or vote on Brexit?

Mr Walker: I respect the right of the Scottish Parliament and the Welsh Assembly to debate whatever they want to debate, but the UK referendum to leave the EU needs to be delivered on by this UK Parliament.

US Trade

7. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What recent discussions he has had with the Secretary of State for International Trade on the potential effect of the proposed withdrawal agreement on the UK's ability to trade with the US. [908042]

The Parliamentary Under-Secretary of State for Exiting the European Union (Kwasi Kwarteng): DExEU Ministers and officials, as the House probably knows, engage regularly with the Department for International Trade on EU exit and trade matters. Our officials also jointly attend the US-UK trade and investment working group, which has met five times already. As the withdrawal agreement states, we will be free to negotiate, sign and ratify free trade agreements during the implementation period, and we will be able to bring them into force after that implementation period is complete.

Mr Sharma: Is President Trump wrong when he says that the withdrawal agreement is a good deal for the EU but a bad deal for Britain?

Kwasi Kwarteng: President Trump can justify his remarks for himself, but the US ambassador, Mr Woody Johnson, recently said:

"Britain is the perfect trading partner for the United States".

That relationship is already the strongest we have—the United States is our single biggest trading partner, accounting for 20% of our trade—and there is no reason to suggest that that would be in any way jeopardised by the deal.

Rachel Maclean (Redditch) (Con): There has been much talk about the backstop. In the unlikely and frankly unwelcome event that we find ourselves in it, will the Minister please confirm our position with respect to being able to sign trade deals with the United States and other countries?

Kwasi Kwarteng: As I suggested in my earlier response, the United States is our single greatest trading partner as of today. There is no reason to suggest that that

relationship cannot develop. Under article 129 of the withdrawal agreement, as Members know, we can negotiate, sign and ratify free trade agreements. It is very important to emphasise that point. Those relationships will kick in and take effect after the end of the implementation period.

Jim Shannon (Strangford) (DUP): Since the legal advice of the Attorney General has proven that Northern Ireland is to consider GB as a third country, will the Minister outline how our trade relationship will proceed if this dastardly and despicable deal manages to slip through?

Kwasi Kwarteng: As the hon. Gentleman has heard me suggest from the Dispatch Box, this is a good deal. It works for Britain and it is a very secure basis on which to provide the certainty from which our businesses can grow. With regard to the Northern Ireland backstop, it is not a situation that we want to be in; we hope to conclude a free trade arrangement before the backstop kicks in, and I have every confidence that we will manage to do so.

Michael Fabricant (Lichfield) (Con): Can we have a little bit of honesty in this House? The Minister knows full well that as long as we remain in the backstop, we can talk as much as we like to the United States, and we can sign an agreement with them, but we cannot implement an agreement with them or indeed with anyone else as long as we remain in the customs union. Will my hon. Friend just get up to say, “Yes, that’s true actually”?

Kwasi Kwarteng: I think that my hon. Friend’s interpretation of the withdrawal agreement is slightly different from my own. The first thing I should say is that the backstop is a hypothetical situation; it is not a situation that the Government intend to be in. Let me repeat to the House: if we complete a free trade agreement, the backstop falls away—it is not something that we intend to pursue. *[Interruption.]* With respect to concluding trade deals, as he knows and as I have said, the withdrawal agreement states that we can sign those deals and they will be—*[Interruption.]* Forgive me—they will absolutely be concluded, or kick in, after the end of the implementation period.

Ms Angela Eagle (Wallasey) (Lab): I repeat the question from the hon. Member for Lichfield (Michael Fabricant), because the Minister did not answer it. He surely has to confirm at the Dispatch Box that the deal means that any trade deals that might be signed cannot be implemented until we are out of the customs union and single market. He just has to get up and say that that is true.

Kwasi Kwarteng: I simply reject the premise of the hon. Lady’s question. It is clear, and is stated clearly in the political declaration, that we will embark on negotiations with the EU and we will conclude them. That is our principal objective—to conclude a free trade agreement with the EU before the end of the implementation period.

Immigration White Paper

10. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent discussions he has had with the Home Secretary on the immigration White Paper. [908045]

The Secretary of State for Exiting the European Union (Stephen Barclay): I have regular discussions with my right hon. Friend the Home Secretary and, as he has said, the Government will shortly publish an immigration White Paper setting out the details of our future immigration system.

Diana Johnson: As immigration was one of the key issues of the 2016 referendum, is it not a complete failure of Government that we will not have that White Paper before we vote next Tuesday? Can the Secretary of State say what he believes will happen with the crisis in our social care workforce once Brexit happens?

Stephen Barclay: The hon. Lady is correct that it was a key area of debate during the referendum, and that is why it is also one of the key wins that the Prime Minister has secured in the withdrawal agreement. She has made it clear that freedom of movement is coming to an end and that we will put in place a skills-based system, so that we can recruit on the basis of what our economy needs, whether that is in social care, health or other sectors such as fintech. We can recruit on the basis of skills, rather than nationality. It is one of the key wins secured by the Prime Minister, and that is why this is a good deal.

Paul Blomfield (Sheffield Central) (Lab): As the Secretary of State has acknowledged, those campaigning for Brexit made controlling immigration central to their case. The Government have put it top of the 40 reasons to back the Brexit deal. Yesterday was assigned for Parliament to debate the issue, but the Home Secretary was unable to give any indication of the Government’s plans. The promise to publish the White Paper before Tuesday has been broken, apparently because Ministers have deeply conflicting views and cannot agree a policy. Blindfold on our future economic relationship and blindfold on migration, how can they expect the House to support them on Tuesday?

Stephen Barclay: The exact opposite is the case. The clarity of the Government’s objective on immigration is signalled by the way that in the withdrawal agreement we have control of the way forward. That is why we will be able to take forward a skills-based system. It is for the Home Office to set out through the White Paper its approach. That is what it will do shortly, as I said a moment ago.

Fishing Policy

11. **David Duguid** (Banff and Buchan) (Con): What recent discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on fishing policy after the UK leaves the EU. [908046]

The Parliamentary Under-Secretary of State for Exiting the European Union (Chris Heaton-Harris): My Department and I continue to work closely with the Secretary of State for the Environment, Food and Rural Affairs and his team on future fisheries policy. The Government’s vision was set out in the fisheries White Paper and will come into force via powers in the Fisheries Bill. As an independent coastal state, we will take back control of

our waters, setting quotas and adapting our fisheries management regime for the first time in more than 40 years.

David Duguid: When we leave the EU, we leave the common fisheries policy and become an independent coastal state. We therefore need to enter upon a new fisheries agreement with the EU, just like Norway, Iceland and the Faroe Islands. Does my hon. Friend agree that Ministers and officials from the Department for Environment, Food and Rural Affairs should, with input from stakeholders across the fisheries sector, take the lead in those negotiations?

Chris Heaton-Harris: I know that my hon. Friend has battled hard over the years for Scottish fishing communities. He is like a machine in his relentless enthusiasm and passion for this subject, so I am sure that he already knows the answer. In fact, I am doubly sure that he already knows the answer because he asked exactly the same question of my right hon. Friend the Secretary of State for the Environment, Food and Rural Affairs just last week. I can assure my hon. Friend that DEFRA and my Department are on the same page, and that the Government have consulted the fisheries industry throughout the negotiations and will continue to do so. It is right that we continue to use the expertise inside and outside of Government to get the best deal for fishermen in Banff and Buchan, Scotland and the whole United Kingdom.

Tom Brake (Carshalton and Wallington) (LD): I thought that the Minister might like to know that a recent survey by the chamber of commerce in Cornwall found that 80% of its members wanted to stay in the European Union. Their concerns included the risk of fish caught in Cornwall and exported by truck via Dover being caught in traffic jams. What is he going to do in relation to that and fishing policy?

Chris Heaton-Harris: The right hon. Gentleman, like me, represents one of the most landlocked constituencies in the country, but his question is important none the less. Perhaps he should step back from spreading scare stories about what will happen over the short straits. All he has to do is google what we as a Government are doing and what the French Government are doing to ensure flow over the short straits. He should be happy with what he sees, as should people in Cornwall.

UK-EU Trade Policy Options

12. **Richard Graham** (Gloucester) (Con): What recent discussions he has had with the Secretary of State for International Trade on potential policy options in the event that a trade agreement between the UK and the EU is not finalised by the end of June 2020. [908048]

The Secretary of State for Exiting the European Union (Stephen Barclay): DExEU Ministers and officials hold regular discussions with the Department for International Trade on EU exit and trade matters. We are working at pace to ensure that the necessary arrangements for our future partnership are in place for December 2020.

Richard Graham: Being in the customs union with the European Union means that we cannot negotiate our own independent free trade agreements. If negotiating our future trade relationship with the EU required us to

extend the transition period by a year, that could be seen as negative, but the reality is that negotiations with most major countries, such as China and the US, will take time to conclude. Does my right hon. Friend therefore agree that extending the transition period by a year would be better for securing independent free trade agreements than being stuck in an indefinite backstop?

Stephen Barclay: I know that my hon. Friend has considerable experience, particularly on issues such as China, in which I know he takes a deep interest. The key point is that it will be a sovereign choice for the UK whether it extends the implementation period. He alludes to the fact that significant work is already going on. For example, the economic and financial dialogues the Treasury has with countries such as China, India and Brazil lay the groundwork for much of the trade discussions that colleagues in the Department for International Trade are concluding.

Clive Efford (Eltham) (Lab): The Secretary of State for International Trade promised that he would have 40 trade deals ready to sign the day after we leave the European Union. What assessment has the Secretary of State for Exiting the European Union made of his right hon. Friend's progress on that?

Stephen Barclay: I am both pleased and encouraged by the progress that my right hon. Friend the Secretary of State for International Trade is making. The point is that, through the deal that the Prime Minister has negotiated, we now are in a position where we can pursue an independent trade policy. That is clear on page 1 of the political declaration. Part 5 of the political declaration sets out a clear timetable to put momentum into the discussions in order that we can not only negotiate and sign during the interim period but get to that future trade agreement with the European Union, which will allow us to start those trade agreements with the rest of the world.

Agriculture: No-deal Planning

13. **Mr Alistair Carmichael** (Orkney and Shetland) (LD): What discussions he has had with representatives of the agricultural sector on Government contingency planning on the UK leaving the EU without a deal. [908050]

The Parliamentary Under-Secretary of State for Exiting the European Union (Chris Heaton-Harris): We continue to have regular conversations with representatives of the agriculture sector on all aspects of exit, including no-deal planning. While the Government have been clear that we do not expect no deal, we continue to do the responsible thing and prepare for all eventualities. As set out in our technical notices, in a no-deal scenario farm payment and rural development programme beneficiaries will continue to receive payments under the funding guarantee.

Mr Carmichael: In September, the National Farmers Union warned its members that, in the event of a no-deal Brexit, we could be out of the EU market for up to six months while the process of registering the UK as a third-party country is undertaken. For Shetland farmers and crofters, for whom Europe is an enormously important

market for lamb exports, that could be very serious. What is the Minister doing to ensure that we are not left in that position?

Chris Heaton-Harris: I know that the right hon. Gentleman takes these matters very seriously on behalf of his constituents. As he will know, we want to get the deal that is on the table at the moment, because that guarantees these things, but as I mentioned, we have already published technical notices detailing what farmers would need to do to export their products in a no-deal scenario. We have been clear that there would be some changes in the way we export animal products, for example. However, in November, the European Union published a document on its no-deal planning, in which it set out that it will swiftly list the UK as a third country if all applicable conditions are fulfilled. That would allow us to continue to export live animals and animal products to the European Union. We are continuing to maintain dialogue with our European Union partners and take concrete steps to minimise any disruption that might occur in those circumstances.

Dr David Drew (Stroud) (Lab/Co-op): The Department for Environment, Food and Rural Affairs continues to say that there will be no deal with any country that does not share our high standards in animal welfare and environmental protection. Does the Department for Exiting the European Union share those views?

Chris Heaton-Harris: Those are the Government's views.

Support for Farmers

14. **Luke Hall** (Thornbury and Yate) (Con): What recent discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on support for farmers after the UK leaves the EU. [908052]

15. **Fiona Bruce** (Congleton) (Con): What discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on support for farmers after the UK leaves the EU. [908053]

The Parliamentary Under-Secretary of State for Exiting the European Union (Chris Heaton-Harris): We continue to have regular conversations with ministerial colleagues across Government on all aspects of exiting the European Union, including support for farmers. The Agriculture Bill is part of the Government's programme of critical legislation to deliver a smooth exit from the European Union and seize the opportunities of a green Brexit. It will allow us to break from the EU's common agricultural policy and free farmers to continue producing world-class food.

Luke Hall: The EU is our biggest export market for agricultural goods, including a huge amount that we export from south Gloucestershire. Does the Minister agree that maintaining unfettered access to that market is absolutely essential for businesses around the country, including the many farms in south Gloucestershire in places such as Chalford?

Chris Heaton-Harris: I absolutely agree, which is why we have a deal on the table that will deliver that, and why the political declaration sets out the plan for a free trade area for goods, including agri-food. It recognises that controls and checks will depend on the UK's

commitments on regulatory co-operation, including the level of alignment with EU rules. We need to agree that balance as part of the future negotiations, but we have agreed to be as ambitious as possible.

Fiona Bruce: A key concern to Cheshire farmers is to know what discussions the Secretary of State has had with his counterparts in the Departments for International Trade and for Environment, Food and Rural Affairs about protecting UK food and farming standards following exit from the EU.

Chris Heaton-Harris: We continue to have regular conversations with colleagues across Government, including the Department for International Trade, on all aspects of exit, including farm and food standards. As we leave the European Union we are clear that consumers must be confident that food has been produced to a high standard and that we must protect highly integrated supply chains to the benefit of customers across Europe. That is why we have this deal on the table.

Nick Smith (Blaenau Gwent) (Lab): When the Agriculture Bill comes back to this Chamber, will the Government table an amendment to maintain our high standards on food safety and animal welfare in future trade agreements?

Chris Heaton-Harris: I look forward to that discussion in the course of the Agriculture Bill.

John Mc Nally (Falkirk) (SNP): Less than a week after the Environment Secretary declared that the UK would lead a GM food revolution, the UK Government's Minister for Trade Policy claimed that dropping food import standards would cause "untold damage". Does the DExEU Minister agree with his colleagues?

Chris Heaton-Harris: I always agree with my governmental colleagues.

No Deal Contingency Plans

16. **Alex Burghart** (Brentwood and Ongar) (Con): What steps the Government are taking to prepare contingency plans for the UK leaving the EU without a deal. [908055]

17. **Steve Double** (St Austell and Newquay) (Con): What steps the Government are taking to prepare contingency plans for the UK leaving the EU without a deal. [908057]

The Parliamentary Under-Secretary of State for Exiting the European Union (Chris Heaton-Harris): While the chances of no deal have been reduced considerably because of the deal that we have on the table, the Government continue to prepare for all eventualities. Extensive work to prepare for a no deal scenario has been under way throughout Government for more than two years, with more than 300 unique work streams. That work continues apace. We have published 106 technical notices to help businesses and citizens; successfully passed critical legislation; signed international agreements; recruited additional staff; and guaranteed certain EU funding in a no deal scenario.

Alex Burghart: I welcome the Secretary of State, along with my great friend the Under-Secretary of State for Exiting the European Union, the hon. Member for Spelthorne (Kwasi Kwarteng), who takes his rightful place on the Government Front Bench. Will the Minister set out specific examples of what the Government have done in their no-deal preparations? Does he agree that the actions he has outlined are far better than the zero pounds that the shadow Chancellor committed to prepare for no deal?

Chris Heaton-Harris: The whole House will be aware that we have passed a lot of critical legislation, including the European Union (Withdrawal) Act 2018, the Haulage Permits and Trailer Registration Act 2018 and the Sanctions and Anti-Money Laundering Act 2018. We have signed key international agreements, including new bilateral nuclear co-operation deals with the US, Australia and Canada. We are recruiting new staff to prepare for the day the UK leaves the EU, including more than 600 new Border Force officers in addition to 300 officers deployed by the end of this year.

Steve Double: It is rumoured today—I read it on Twitter, so it must be true—that the Privy Council is to be briefed by the Cabinet Office civil contingencies department on its preparations for no deal. In the interests of balance, will the Minister ensure that the Privy Council is also given a full report of his Department's readiness for a no-deal outcome so that it is fully informed?

Chris Heaton-Harris: I do not know whether that was a bid from my hon. Friend to become a Privy Counsellor, but he would be a worthy recipient of that honour. My Department always remains open, and I remain open to talk to all colleagues, from whatever part of the House, about the Government's no-deal planning.

Karin Smyth (Bristol South) (Lab): We seem to have a slightly contrary position here. Earlier, we heard from Ministers that there is nothing to fear for manufacturers about no deal and that there are scare stories in this place, but we also hear that there is lots of contingency planning. I have visited manufacturers, and they remain scared of no deal. This week Bristol City Council has published its assessment of a no-deal scenario. Have Ministers met with leaders of Core Cities to discuss and debate what a no-deal scenario means for these drivers of our economies across England?

Chris Heaton-Harris: The very simple answer is yes, Ministers have been meeting with councils up and down the country. There are four Ministers within my Department and the Ministry for Housing, Communities and Local Government who also do that. I suppose it is an interesting balance, when trying to get a deal with some of our best friends, whether to float above the surface the extent of the no-deal planning we might be doing, but a responsible Government plans for everything.

Mr Speaker: Very briefly—a sentence—Christine Jardine.

Christine Jardine (Edinburgh West) (LD): Given the continued concern about medical supplies in the event of a no-deal Brexit, can the Minister assure us about the latest situation for people on life-saving medicines?

Chris Heaton-Harris: As a responsible Government, we will do whatever it takes to ensure that cross-channel trade continues to move as freely as possible, and we have a range of contingency plans in place just in case. Our top priority is ensuring that traffic and goods keep moving, which is why we have been speaking directly to industry across the medical supply chain, from pharmaceutical trade bodies to storage providers, so that consumers continue and will continue to get medicines in the same way as they do now in the event of there being no deal.

Northern Ireland Backstop

18. **Sir Hugo Swire (East Devon) (Con):** What recent discussions his Department has had with EU officials on technological solutions to avoid the proposed Northern Ireland backstop. [908058]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): We had discussions on alternative arrangements to avoid the need for the backstop to come into effect, and that is why the political declaration includes a specific commitment to consider how facilitative arrangements and technologies could be used to develop such alternative arrangements to avoid a hard border in the island of Ireland. To ensure that those are developed quickly, the forward process section sets out how preparatory work should begin before we leave, enabling rapid progress after our withdrawal.

Sir Hugo Swire: I congratulate my hon. Friend the Member for Spelthorne (Kwasi Kwarteng) and the Secretary of State on their new positions on the Front Bench. They will do their job admirably. The truth of the matter is that existing techniques currently used in the EU can be applied to all EU borders. Will my hon. Friend update the House on those technologies and how they can be properly applied?

Mr Walker: My right hon. Friend makes an interesting point. It is an argument that we have made a number of times earlier in the process. There are techniques that can be explored. I think it is fair to say that discussions have further to go on this front to ensure that both parties are agreed on how we implement those. That is what we will want to take forward very rapidly under the political declaration.

Devolved Administrations

20. **Ronnie Cowan (Inverclyde) (SNP):** What plans he has to meet representatives of the devolved Administrations to discuss the UK leaving the EU. [908060]

The Secretary of State for Exiting the European Union (Stephen Barclay): It is not just what you say, but what you do that matters. My very first meeting as Secretary of State was with the Scottish and Welsh Governments, and I hope that underlines my personal commitment to that dialogue. As the Prime Minister committed on Tuesday, we will continue to engage with the devolved Administrations on the detailed positions on the future relationship.

Ronnie Cowan: The Secretary of State will be aware that the Scottish Parliament voted to reject the withdrawal agreement. Will he respect the democratic will of the Scottish Parliament and recognise the result of that vote?

Stephen Barclay: I seem to recall that the democratic will of the people of Scotland was to remain within the United Kingdom. Having taken that correct decision, they will be the first to recognise that the referendum was a UK decision.

Topical Questions

T1. [908061] **Priti Patel** (Witham) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Exiting the European Union (Stephen Barclay): Eleven days ago, the Government published the EU withdrawal agreement and the political declaration on the future relationship between the UK and the EU. We have achieved a deal with the EU that delivers on the referendum, that the nation can unite behind and that Parliament should back.

Priti Patel (Witham) (Con): I welcome the Secretary of State to his new role on the Front Bench. Will he explain or elaborate on the work he is doing across Government to enhance connectivity post Brexit for international trade across the county of Essex and in our regions to get the economic growth that is required and to expand our ports and airports to ensure that our trade not only flows but increases when we leave the EU?

Stephen Barclay: My right hon. Friend makes an extremely important point, and I am very conscious of it in the East Anglia region. The border delivery group is working with Departments to ensure that plans are in place to engage fully with traders in advance of exit and indeed, it has visited each of the 135 port and airport locations. My right hon. Friend brings considerable experience to the subject and I am happy to meet her to discuss it further.

Keir Starmer (Holborn and St Pancras) (Lab): I welcome the Secretary of State to his place and genuinely wish him well in his role.

On 15 October, the Prime Minister made an important point from the Dispatch Box to reassure MPs who were worried about the backstop arrangement. She said that “if the EU were not to co-operate on our future relationship, we must be able to ensure that we cannot be kept in this backstop arrangement indefinitely.”—[*Official Report*, 15 October 2018; Vol. 647, c. 410.]

Does the Secretary of State agree?

Stephen Barclay: I thank the right hon. and learned Member for his generous welcome. I also take the opportunity, as I did on Monday night—although technically it was Tuesday morning—to pay tribute to him for serving as shadow Secretary of State throughout this period. On the core of his question about the UK’s ability to exit from the backstop, he will know, as a former lawyer, that the legal process is clear in terms of the role of the Joint Committee and the arbitration, and that there is legal wiring in the withdrawal agreement

that requires the EU to act in good faith. Those issues were explored in much more detail with the Attorney General on Monday, but in short I very much agree with the Prime Minister because there is a legal connectivity between the withdrawal agreement and the backstop arrangement.

Keir Starmer: That is a very sensible position. The Secretary of State suggests that he agrees with the Prime Minister that, if the EU does not co-operate, we cannot be kept in the backstop indefinitely. The problem is that the Attorney General’s legal advice, which was published yesterday states, in terms,

“in international law, the”

backstop

“would endure indefinitely.”

He went on to say:

“This remains the case even if parties are still negotiating many years later, and even if the parties believe that the talks have clearly broken down”.

That is the complete opposite of what the Prime Minister said she intended to achieve.

Stephen Barclay: The right hon. and learned Gentleman makes the same point in essence as my very distinguished predecessor, my right hon. Friend the Member for Esher and Walton (Dominic Raab), about where the balance of risk sits. The right hon. and learned Gentleman quoted the Attorney General, so it is worth drawing the House’s attention to exactly what the Attorney General said on that point. [*Interruption.*] Well, he quoted part of what the Attorney General said, but my right hon. and learned Friend said more than what has been quoted in isolation, and the right hon. and learned Gentleman will be the first to accept that when considering these issues, one looks at the whole, not selective comments. The Attorney General said:

“I do not believe that we are likely to be entrapped in the backstop permanently”.—[*Official Report*, 3 December 2018; Vol. 650; c. 552.]

However, he also said that

“the matters of law affecting the withdrawal can only inform what is essentially a political decision”.—[*Official Report*, 3 December 2018; Vol. 650, c. 546.]

It is a question of where one assesses the balance of risk to be. I looked at that very issue when I considered the matter. The Attorney General has addressed that, as is reflected in his comments to the House on Monday.

T4. [908064] **Mr Philip Hollobone** (Kettering) (Con): Will my parliamentary neighbour, the Minister for no deal, confirm for the benefit of our constituents in Northamptonshire that the Government have advanced plans in place to ensure a smooth Brexit in the event of no deal?

The Parliamentary Under-Secretary of State for Exiting the European Union (Chris Heaton-Harris): I thank my hon. Friend and parliamentary neighbour for his question. I know how hard he works in his constituency, and he always puts me to shame with the amount of work he does for his constituents.

I remind my hon. Friend of the answers he has heard on this so far, before giving him some extra bits. We already have over 300 plans that we are delivering to

ensure that, should we be in a no deal scenario, it goes smoothly. We have plans for our border, and he will have heard about the amount of legislation, primary and secondary, that is going through the House, and I have some specific examples.

On 2 November, Canada signed a nuclear co-operation agreement with the UK. Later in November, the Competition and Markets Authority started its recruitment campaign to hire staff to fulfil the obligations of its new state aid role. We have begun a pet travel awareness campaign to advise pet owners of the actions they would need to take to be able to travel to the EU with their pets from March 2019. The Home Office has recruited 300 people to its readiness taskforce, and it was on track to be deployed in November. I could go on.

Mr Speaker: Can I very gently say to Ministers that they appear today to be adopting what I can only describe as an Oxford high table approach to political debate? That no doubt has its own merits, but we are subject to the constraint of time, and therefore I would urge a degree of pithiness of exchange.

T2. [908062] **Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): The German owner of the Barden factory in Plymouth has announced that the precision ball bearing plant and 400 jobs will go, and it blames Brexit for the closure. Will the Secretary of State join me and Plymouth's Conservative MPs in encouraging Barden's German owner, Schaeffler, to change its mind and keep this profitable plant open?

Stephen Barclay: I pay tribute to the hon. Gentleman for his approach of working with other Plymouth MPs, my hon. Friends the Members for Plymouth, Moor View (Johnny Mercer) and for South West Devon (Mr Streeter). I recognise the importance of this to the three constituencies, and I am happy to raise the issue with my right hon. Friend the Secretary of State for Defence. We recognise the importance of Barden as a firm, and I am happy to work with the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) and his constituency neighbours as we take the issue forward.

T5. [908065] **Craig Tracey** (North Warwickshire) (Con): The majority of my constituents and I voted to leave the EU primarily to take back control of our sovereignty, and I am struggling to reconcile that with the proposed Northern Ireland backstop and our inability to leave it unilaterally. What reassurances can my right hon. Friend give me following the publication of the Government's legal advice yesterday?

Stephen Barclay: I am very happy to reassure my hon. Friend. A number of the safeguards have been debated at some length in the House, including safeguards on extending the implementation period, on the undesirability of the backstop to the EU27 and on the due legal process. Given the commitments in the withdrawal agreement, the due process that applies, in terms of the joint committee and the arbitration, would follow. There are clear safeguards in the text that the Prime Minister has negotiated as part of the wider achievements that have been secured in delivering on the referendum. There is an independent coastal approach, and we are coming out of the common fisheries policy and having a skills-based immigration system.

T3. [908063] **Dr Paul Williams** (Stockton South) (Lab): I welcome the Secretary of State to his post. The North East England chamber of commerce is briefing that, because this deal fails to nail down certainty, it threatens investment and jobs, and businesses in the north-east do not support it. Why is he asking this House to support a deal that will threaten my constituents' jobs?

Stephen Barclay: If there is an outlier to which the hon. Gentleman refers—I always enjoyed our dealings in my previous ministerial role, given his health expertise—the overwhelming feedback we have received from business is its support for the deal and its desire to see the implementation period. Business does not want the uncertainty of crashing out, but it also does not want the uncertainty of a second referendum.

T8. [908068] **Steve Double** (St Austell and Newquay) (Con): The legal position of legislation passed by this House is that we will be leaving the EU on 29 March 2019, deal or no-deal. The events of this week, and I suspect next week, make a no deal outcome more likely, so will the Secretary of State ensure that all Government Departments now make ready and prioritise their preparedness for no deal? Does he agree that for the Government not to do that would be a dereliction of duty?

Stephen Barclay: My hon. Friend will appreciate that a key focus for me since taking on this role has been to review the work on the state of readiness and to ensure that those discussions are held with Cabinet colleagues. That is exactly what I am doing, and it is supported by the excellent work of the Under-Secretary of State for Exiting the European Union, my hon. Friend the Member for Daventry (Chris Heaton-Harris).

T6. [908066] **Dr Philippa Whitford** (Central Ayrshire) (SNP): As the Secretary of State for stockpiling, can he explain to me how he will maintain a supply of the medical radioisotope technetium, given that its precursor has a half-life of less than three days?

Chris Heaton-Harris: I trust the hon. Lady is not trying to scare any vulnerable constituents we might have. I know she does not necessarily trust what a Minister might say, but all she needs to do is look at what other countries are doing to guarantee that the flow of all medical supply continues across borders, by googling what might be going on at the French border, to see that her concerns are unwarranted.

Leo Docherty (Aldershot) (Con): Will the Government consider a parliamentary lock to the backstop?

Stephen Barclay: I very much hear the point that my hon. Friend makes. As I am sure he is aware, I am meeting colleagues and listening to concerns, including those on the backstop. Obviously, we also need to be mindful of the imperative of the guarantee that we have given to the people of Northern Ireland, which was given for a reason, in terms of the peace process and ensuring that we honour the obligations that have been given to the people of Northern Ireland.

Mr Speaker: I call Helen Goodman. She is not here. Oh dear, where is the hon. Lady? I hope she is not indisposed.

T9. [908070] **Hywel Williams** (Arfon) (PC): On Tuesday, the National Assembly for Wales voted overwhelmingly for a Plaid Cymru motion to reject the British Government's deal. What notice will the Secretary of State take of this new, emphatic and democratic decision?

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): We always pay attention to what the devolved Assemblies and devolved legislatures do. We, of course, take note of its decision, but it was a UK referendum that decided we should leave the UK, and Wales also voted to leave.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Government's own analysis shows that my constituents will be worse off under this deal, but the Secretary of State argues that they will gain sovereignty and future

trade agreements. Can he explain precisely in engineering terms how supply chains between the north-east of England and north-west France, for example, can be replaced by ones with the mid-west of America or Western Australia?

Stephen Barclay: The hon. Lady usually speaks on business matters with great experience, but it is a misreading of the economic analysis to suggest that her constituents will be poorer or less well-off. The issue within the economic analysis is what the impact will be on the rate of growth; it is not whether people will be worse off than they are today. One key achievement of the Prime Minister's deal is that it keeps open the option of frictionless trade, because it moves from the binary choice that was initially offered, of either a Canada-style or Norway-style deal, and recognises a bespoke option.

Business of the House

10.38 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House please give us the forthcoming business?

The Leader of the House of Commons (Andrea Leadsom): The business for next week will include:

MONDAY 10 DECEMBER—Continuation of debate on section 13(1)(b) of the European Union (Withdrawal) Act 2018 (day 4).

TUESDAY 11 DECEMBER—Conclusion of debate on section 13(1)(b) of the European Union (Withdrawal) Act 2018 (day 5).

WEDNESDAY 12 DECEMBER—Consideration of Lords amendments to the Ivory Bill, followed by a general debate on fuel poverty.

THURSDAY 13 DECEMBER—A general debate on the public health model to reduce youth violence.

FRIDAY 14 DECEMBER—The House will not be sitting.

The House of Commons is now midway through our historic debate on the Prime Minister's Brexit deal. Yesterday, my noble Friend Baroness Evans opened the Brexit debates in the other place. Come the meaningful vote on Tuesday, we will have spent about 38 hours debating the deal, on top of the hundreds of hours we have already spent in this place debating our exit from the EU. I hope that, with all views taken into account, and in the final analysis, Members will choose to support the deal we have on the table.

This week we are also midway through the Festival of Light, and I wish everyone in our Jewish communities a very happy Hanukah.

Finally, yesterday was International Volunteer Day. During business questions we often hear about fantastic examples of volunteering from right across our communities, so it is right that we all recognise the fantastic work that they do.

Valerie Vaz: I thank the Leader of the House for the forthcoming business. I note that there is only one week to go and we do not have the business for the final week. Will the Leader of the House confirm that the House will definitely rise on 20 December and return on 7 January? She will know that there are discussions, not quite about Christmas being cancelled, but about the day that the House rises.

I have raised this issue previously and my hon. Friend the Member for Bristol West (Thangam Debbonaire) has asked very nicely a number of times: when will the immigration White Paper be published?

It has been a momentous week, not least for you, Mr Speaker, because you were in the Chair for 14 hours on Tuesday. I suppose some could argue that it kept you out of mischief. I wish to comment on the proceedings because we need to separate them out from the debate on the deal. The Solicitor General said on television that this was a "complete diversion" and a

"concocted parliamentary parlour game that should be stopped".

The Attorney General said that it was time we all

"grew up and got real."—[*Official Report*, 3 December 2018; Vol. 650, c. 563.]

The Leader of the House's comment on the radio that we would "live to regret" the vote was slightly threatening and she described the vote as "incredibly disappointing". It was not disappointing; it was an inevitable consequence of the process and the Government's failure to comply. It is quite surprising, because the Law Officers would expect everybody to comply with a court order. There was an order from this House and the Government failed to comply. The Government should have known better. The process is set down in the procedure and all Opposition parties were united. It was the will of the House to ask for the advice, which we have finally got, but the Government initially refused to give it. They could have given it, but regrettably chose to test the procedures of Parliament, and those procedures were then engaged. This shambolic Government will go down in history as the first Government to be held in contempt of Parliament. All that was within their control. Will the Leader of the House now accept that it was the Government's own stubbornness that put them in that position?

On Monday, the Attorney General undertook to send you a letter, Mr Speaker. He said that he would be writing to you that evening. My hon. Friend the Member for Oldham West and Royton (Jim McMahon) then asked whether we could all have a copy. Will the Leader of the House say what was in that letter and whether it has been published? [*Interruption.*] The Leader of the House should check *Hansard*, because he did say that he was going to write to Mr Speaker.

Will the Leader of the House correct the record? Last week, she said that there was an economic assessment of the draft agreement, but in fact the cross-departmental Treasury analysis was based on the Chequers plan, not the agreement. While we are at it, I am working my way through the agreement and I wonder whether the Leader of the House could take away the idea that its formatting might be done differently. If Members look at page 132, they will see that it is blank, apart from the title. There are lots of white spaces on the pages, so perhaps it would be a smaller and easier-to-read agreement if all the space were taken up. Do have a look at it.

I have now reached the protocol on Ireland and Northern Ireland, so it is helpful that the legal advice has been released and can be read in conjunction with it. It is right that Members should have all the information before them if we are to make this momentous decision.

The Leader of the House will know that we are apparently paying £39 billion to the EU, but I should point out that, according to article 53, on access to relevant networks, information systems and databases, the UK will have to reimburse the Union for facilitating that access. That requirement goes through the agreement in a number of places, so is the Leader of the House expecting the Chancellor to make a supplementary financial statement? If so, when?

Will the Leader of the House confirm that she is actually asking Members to back the deal? I say that because Labour Whips have tweeted that she did not actually ask Members to back the deal; she asked them to "focus" on the deal. Could she definitively say that she also backs the Prime Minister's deal?

It is chaos. It seems the Treasury is in chaos. This is a comment that was made: "I embrace chaos. I'm a thrill seeker". That was not the Gilet Jaunes; it was the Chief Secretary to the Treasury who was overheard saying

[Valerie Vaz]

that. It might be chaos and thrill seeking that has caused the Treasury not to provide the local government settlement for 2019-20. It has been cancelled. It was due to be announced today. Will the Leader of the House say when the Secretary of State for Housing, Communities and Local Government will make an oral statement to the House?

We are also missing the NHS 10-year plan and I am not sure what is happening about the police settlement either. Almost 80 leaders of Labour councils have written to the Secretary of State asking that any funding cuts—the figure of £1.3 billion has been mentioned—be cancelled at an absolute minimum and saying that to press on blindly with further cuts at a time when local government is on the brink of collapse would be hugely irresponsible—a bit like the Government not complying with the order to provide the legal advice. Or is it only the few in Northamptonshire who get a bail-out without an oral statement?

There is more chaos and thrill, but now in the Department for Education. As the shadow Secretary of State said—at the time, there was not a higher education Minister in place, but there is now—the student loan book, which was worth £3.5 billion, has been sold for £1.7 billion in upfront cash. The Office for Budget Responsibility said that this does not strengthen public finances. Can we have an urgent statement on the student loan book sell-off?

I want to pay tribute to Toby Jessel, who sadly died on Tuesday. He was my first MP. My hon. Friend the Member for Newport West (Paul Flynn) tells a funny story about how Toby Jessel was wearing this bright green and red tie one day. While he was speaking to the House, they found something sticking out of his trousers, which led the TV commentator to say it was his tie. I was a Labour candidate in Twickenham in 1987, and both Toby and his wife Eira Heath were wonderful and kind to me. It was my first outing. He was irrepressible and a gifted pianist.

Monday is Human Rights Day. The Attorney General said on Monday that the European convention on human rights is protected by the Belfast agreement, so there is no divergence between Northern Ireland and the rest of the UK. I am sure that the ECHR is also embedded in our laws in perpetuity. I look forward to celebrating Hanukkah in Speaker's House later, and I wish you and Sally a very happy anniversary tomorrow, Mr Speaker.

Mr Speaker: It is extraordinarily kind of the shadow Leader of the House to do that. Perhaps I may be permitted to wish her a happy birthday.

Andrea Leadsom: I also wish the hon. Lady a happy birthday. It is extraordinary. I remember this time last year we were also in business questions. Doesn't time fly?

I am grateful to the hon. Lady for her many points. Yes, the House will rise on 20 December and return on 7 January, and as the Home Secretary said yesterday in Home Office questions, the immigration White Paper will be published as soon as possible. It is being finalised and will be brought forward. It is obviously important to me, as the person responsible for bringing legislation through, that we get it through in good time.

On the Attorney General and the contempt procedure, I gently point out to the hon. Lady that I was saying that any parliamentarian who finds themselves in government would regret this—that was not in any sense threatening and I slightly personally resent that she is implying that. I was making the point that it remains a fundamental constitutional convention that Law Officers' advice should not be disclosed outside of Government. If we disclose that advice, it severely constrains future advice being offered in a frank and open way. That was my point. I hope that she accepts that in no way was I attempting to threaten anyone; I was merely stating the facts. While the Government have absolutely complied with the demand of the House, there is a fundamental problem with the overlap between the constitutional convention of confidentiality of Law Officers' advice and the perfectly legitimate expectation and will of the House, with which I have complied.

The hon. Lady asked about the Attorney General's letter to Mr Speaker. My hon. Friends on the Front Bench have managed to establish that it was published on the gov.uk website on 4 December—hopefully that is helpful. She talked about the economic assessment of the draft agreement. Obviously, we will be discussing that during today's debate and I hope that hon. Members will be able to pick that up.

I can absolutely confirm to the hon. Lady that, as I said at the start, I hope that all hon. Members will choose to support the deal that is on the table. It is the only deal on the table. On the matter of the local government settlement, we have local government questions on Monday, in which there will be an opportunity for Members to ask the Secretary of State about his plans.

The hon. Lady referred to the NHS 10-year plan. We all really look forward to seeing that. It is fantastic that this Government have made the biggest ever investment in our very precious national health service, and we all look forward to seeing some of the measures to create equality of mental health with physical health, more investment in identifying cancers early and better cancer outcomes for patients. There is so much that will be in that 10-year plan and we all look forward to seeing that. Finally, she asked about Education questions. I just point out to her that Education questions will be on Monday 17 December.

Dame Cheryl Gillan (Chesham and Amersham) (Con): The curse of HS2, the Titanic of the railway world, has struck again with the apparent forced resignation of its third chairman, Sir Terry Morgan, after four months and the extraordinarily rapid public appointment of yet another chairman, Allan Cook, who, I believe, will also be part-time. After three chief executives, five Secretaries of State and six Under-Secretaries of State, we still do not know the real costs of this project, which, frankly, might put the £39 billion being paid to the EU into a box in the corner, because it is looking like it will cost £100 billion. Can we have a full debate on the Floor of the House on the subject so that we can find out what the real costs are, why the corporate governance is so dreadful, what the problems and the risks are, and what the cost-benefit analysis is for the taxpayers of this country, because, frankly, we should be putting this ill-conceived and ill-executed project out of its misery and cancelling it now?

Andrea Leadsom: My right hon. Friend raises a matter of great importance to her constituency, to mine, to that of my hon. Friend the Member for Banbury (Victoria Prentis) and, indeed, to your own, Mr Speaker. We have all worked together to get the best compensation and mitigation for our constituents, many of whom have very serious concerns about that project. On the very important issue that my right hon. Friend raises, she will appreciate that this is a matter for the Transport Secretary and I urge her to seek to raise it directly with Transport Ministers, possibly in a Westminster Hall or an Adjournment debate.

Pete Wishart (Perth and North Perthshire) (SNP): Mr Speaker, I also congratulate you on your endurance over the past couple of days. I hope that you are not having nightmares about big green chairs shouting “Meaningful vote” to you over the course of an evening. I thank the Leader of the House for announcing the most dramatic business for next week. I congratulate my hon. Friend the Member for Walsall South (Valerie Vaz)—for she is a friend—on her birthday today.

Here we are, Mr Speaker. It does feel a bit like the end of Tory days. After doing everything possible to avoid and evade a defeat, the Government have only gone and found a taste for it. After barely a glove being laid on them over the past two years, they endured three defeats in two hours on Tuesday. After acquiring this taste, they have offered themselves up for another hiding on Tuesday—or have they? That is the question. To go through with this vote and almost certain defeat seems almost unnecessarily cruel. It would be like political self-flagellation on an almost Marquis de Sade scale. To endure the indignity of a huge majority against them—most of them from their own Benches—on such a major issue of policy would be unsustainable for the Prime Minister. Can the Leader of the House take this opportunity today to confirm that, whatever happens over the course of the next few days, we will still have this vote regardless of the consequences and that they have no intention of taking it off the table? Can she also tell us a bit about what happens next? Let us hope that she will not be the Grinch of the House who stole Christmas in making sure that Christmas becomes Brexmas for the majority of Members in this House.

Almost laughingly, the Leader of the House has timetabled ordinary business on Wednesday. I think we might be telling hon. Members preparing for the Ivory Bill and the fuel poverty debate not to exercise themselves unduly. No one believes for a minute that it will be business as usual on Wednesday. It is going to be chaotic crisis management peppered with mild panic and served up with a dollop of a probable vote of no confidence in this Government. Can she tell us what provisions she has in place for Wednesday? What is she going to do to ensure that this House will be able to deal with the consequences of the devastating defeat? It is inconceivable that she has no back-up plan, plan B or set of extraordinary measures, and it is time to share them.

We in Scotland are watching this crashing of the UK with increasing alarm and concern, but we are also brushing down our constitutional options, and thank goodness we have them, because although this country may be going down with any arrangements for getting out of the European Union, Scotland most definitely will not.

Andrea Leadsom: I am glad that the hon. Gentleman recognises that so far in this Session the Government have introduced some very significant legislation, and have not lost any votes. Some extremely important legislation has been passed on automated vehicles and greater fairness to tenants. In fact, 45 Bills have been introduced, 30 of which have received Royal Assent. There are nine exit-related Bills in Parliament, and those that have already received Royal Assent include the Nuclear Safeguards Act 2018, the Sanctions and Anti-Money Laundering Act 2018, the Haulage Permits and Trailer Registration Act 2018 and the Taxation (Cross-border Trade) Act 2018.

If that were not enough, the House has also achieved some extraordinarily good things for our country through private Members’ Bills. I am delighted that the Stalking Protection Bill of my hon. Friend the Member for Totnes (Dr Wollaston) has completed its Third Reading here, as has the Parking (Code of Practice) Bill of my right hon. Friend the Member for East Yorkshire (Sir Greg Knight). Enormous progress is being made in this House, so I am grateful to the hon. Member for Perth and North Perthshire (Pete Wishart) for pointing that out.

I can tell the hon. Gentleman that, yes, the meaningful vote will go ahead next week, as announced. He mocked, albeit gently, the business I announced today for next week. Although we do have very serious issues around our exit from the EU, it is incredibly important that we look at and take note of the serious challenges faced by those in this country suffering from fuel poverty, and indeed the broader global issue of the hideous trade in ivory that this country is determined to be one of the first to stamp out finally. The hon. Gentleman mocked last week’s business, when we brought forward the Offensive Weapons Bill, seeking to prevent young people from accessing knives online. These are very important pieces of legislation, and this House can be proud of our achievements so far.

The hon. Gentleman talks about the Scottish constitution and what the Scots think. I would gently point out to him that the Scots said very clearly in 2014 that they wanted to remain a part of the United Kingdom. As a democrat, he should accept the will of the people. In 2016, the people of the United Kingdom decided that they wanted to leave the European Union. Again, he should accept the will of the people. The problem with the hon. Gentleman is that he only thinks about what he wants, not what the people want.

Sir John Hayes (South Holland and The Deepings) (Con): Benjamin Disraeli said:

“Upon the education of the people of this country the fate of this country depends”

yet this week Ofsted reported that, for our 1.3 million children with special educational needs, support is “disjointed and inconsistent”. Notwithstanding the good work of Gosberton House School, the Garth School and Priory schools in my constituency and many others, that report goes on to say that many of these pupils spend years out of school, thousands are left unplaced and, most disturbingly, some of our most vulnerable children’s whereabouts are altogether unknown. Can we have an urgent statement from Ministers on how we are going to respond to this national scandal? If our fate is dependent upon education, our humanity is defined by

[Sir John Hayes]

how we regard and respond to the needs of the most vulnerable; they deserve our care and their chance to prosper.

Andrea Leadsom: My right hon. Friend is right to raise the issue of how children with special educational needs are supported through their early years, and I am sure that, in his usual way, he will find the opportunity to raise the issue directly with Ministers, perhaps through an Adjournment debate. Some 86% of schools in this country are now classed as good or outstanding, compared with only 68% in 2010, and 1.9 million more pupils are now in good or outstanding schools. That is incredibly important, and it demonstrates the Government's commitment to ensuring that every child gets a good education.

Ian Mearns (Gateshead) (Lab): I am glad to learn that Christmas has not been cancelled, and I and the hon. Member for Harrow East (Bob Blackman) are very much looking forward to meeting the Leader of the House next Tuesday to discuss the hiatus in Backbench Business Committee debates in the House. As I said last week, by next Thursday it will have been eight weeks since we had any Backbench Business in the House, and I am pretty sure that when the Committee was established, the Standing Orders were written with the intention that the 27 days of parliamentary time would be over a one-year Session, not over two years. I remain disappointed that we are not getting any additional time, or notification of additional time, and I have written to the Chair of the Procedure Committee to ask the Committee to look into that, and into the Government's interpretation of the Standing Orders.

Members may have noticed that the O2 phone network was down this morning, which also affected customers of Sky, Tesco, Giffgaff and Lycamobile. Thirty-two million subscribers have been without mobile telephone coverage since 5.30 this morning, which has also affected emergency services and bus networks. Will the Leader of the House ask the relevant Department to investigate the issue and consider what implications there might be, particularly for coverage of those emergency services?

Andrea Leadsom: The hon. Gentleman will appreciate, I am sure, that it was not possible to find time for the Backbench Business Committee in next week's business, but as I said last week, I look forward to meeting him to discuss the issue.

The hon. Gentleman raised an important point about phone networks, and I urge him to raise that matter directly with Ministers next week during questions to the Department for Digital, Culture, Media and Sport.

Bob Blackman (Harrow East) (Con): I join the Leader of the House in wishing everyone a happy Hanukkah, and I look forward to attending the annual reception in your house later this afternoon, Mr Speaker.

My constituents in Stanmore are suffering a crisis of aggravated burglaries. These are not normal burglaries where people break in and steal things; these involve gangs of five or six people who break in, beat up the residents and steal their possessions, including their address books so that they can move on to the next people. May we have a debate in Government time on

how we deal with that epidemic, and the crisis in our society of aggravated burglaries in which people suffer not only the loss of their possessions, but personal injury as well?

Andrea Leadsom: I am genuinely sorry to hear about the problems experienced by my hon. Friend's constituents, which are completely unacceptable, and I encourage him to seek an Adjournment debate so that he can raise that issue. I know from my constituency that the police are concerned that sometimes residents do not report crimes—indeed, they would want us to encourage our constituents always to report any crime they experience, because so often that assists police to form a picture of what is going on, and to get the intelligence that enables them to make arrests. My hon. Friend will be aware that the resources available to police during this funding period have been increased, and it is for police and crime commissioners to make decisions on policing priorities. I am sure he is in contact with his own police and crime commissioner.

Paula Sherriff (Dewsbury) (Lab): Frankly, we could all do with a little bit of Christmas cheer in this place this week, so I will briefly speak about Derek Highe from Robin Royd Avenue in Mirfield. He lights up his house every year, and has raised more than £40,000 for charity, including for Kirkwood Hospice. In this case seeing really is believing, and I encourage people to visit www.robinroyd-xmas-lights.co.uk to see it for themselves, if they do not want to or cannot visit Mirfield. May we have a debate on how our local communities contribute so much at this time of year, whether by donating to food banks or raising money for charity?

Andrea Leadsom: I am grateful to the hon. Lady for cheering us all up; I also love to see the houses that have been made bright and friendly for the whole community by people who have gone to enormous lengths. I encourage colleagues to pop around to my office. We have a few Christmas decorations up there as well, although probably nothing like as good as the ones in Robin Royd Avenue. I pay tribute to her constituent for the excellent work he is doing in raising money for charity.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): The Leader of the House is well aware of the situation between Taunton Deane and West Somerset, which is my council. The amalgamation is now going so wrong—so many people have decided to leave the council that it is having to raid the housing revenue support grant to pay the redundancies. First, that is immoral, and secondly I hardly think it is legal. Can we please have a debate on this? Certain councils may be bailed out—mine is not, so we are living at our edges. Can we have time in the House to discuss the matter?

Andrea Leadsom: As my hon. Friend will be aware, Housing, Communities and Local Government questions are on Monday 10 December. I encourage him to raise the matter directly with Ministers.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): This is the first opportunity I have had to apologise to the Leader of the House; the last time we were together in the Chamber, I said that she “flounced”. I did not realise that that was a disrespectful or sexist term, but I used it and I apologise profoundly.

While we have her in a good mood, can I ask the right hon. Lady for an early debate on the status and respect given to the Bank of England and its Governor? I have been in this House for quite some years, and I cannot remember a time when Ministers have so reviled the Governor of the Bank of England—undermining the work that the Bank is doing in independently telling us that there is no deal better than staying in the European Union. Can we have a debate on how the Bank of England—this wonderful institution—can get back to full respect from all parties in this House?

Andrea Leadsom: I am really grateful to the hon. Gentleman for his apology, which is unnecessary—he had already apologised to me privately. I have been practising my flounce, although I am not sure I have perfected it yet. *[Interruption.]* It is something like that—*[Laughter.]* I was not quite sure what a flounce was. I know that the hon. Gentleman's daughters told him off; I would like to put that on the record—we know when we see a bit of sexism.

The hon. Gentleman raises a very serious issue about the ancient institution of the Bank of England, to which we all in this place owe a great debt of gratitude given its determined pursuit of the national interest over many years. Colleagues have different views about how different spokespersons for the Bank of England represent their views, and it is right that we allow freedom of speech in this place. But the hon. Gentleman's fundamental point is about the importance of the Bank of England, and I share his great regard for it.

Rachel Maclean (Redditch) (Con): In Redditch, I am supporting an excellent charity called Charlotte & Craig Saving Hearts Foundation in its campaign to get first aid on to every school curriculum. May we have a debate in Government time about how we create a nation of lifesavers and get cardio-pulmonary resuscitation—CPR—in every school curriculum?

Andrea Leadsom: I think my hon. Friend would find a lot of support across the House for that; I congratulate her constituents on their initiative in trying to get it on to the agenda. She might want to seek a Westminster Hall debate so that hon. Members, who I am sure would have a lot of sympathy with the issue, can share their views.

Ruth Smeeth (Stoke-on-Trent North) (Lab): On Tuesday night in my constituency, there was significant violence at the away end of the Port Vale and Stoke City derby football match. I thank the police and emergency services for their work. Can we have a debate in Government time on the rise of football hooliganism in parts of our country?

Andrea Leadsom: I am sorry to hear about the experience of some of the supporters in the hon. Lady's constituency. Any rise in football hooliganism is absolutely unacceptable. It used to be a problem in the past and we do not want it to come back again. DCMS questions are next Thursday and I encourage the hon. Lady to raise it with Ministers then.

Robert Halfon (Harlow) (Con): Can we have an urgent statement on protecting public libraries? In a potential act of barbarism and cultural vandalism, Essex County Council is threatening to close libraries in disadvantaged

and deprived areas of my constituency of Harlow—a disgraceful decision. These libraries are treasured by the community and schoolchildren as an important place of reading. Will my right hon. Friend work with the Secretary of State for Culture, Media and Sport and get these cuts reversed?

Andrea Leadsom: My right hon. Friend raises an incredibly important point. We all know the value of libraries in our communities. It is not just about accessing books; many other community activities take place, bringing people together and providing them with support and guidance. The Government are committed to seeking a sustainable future for libraries. As he will be aware, local authorities in England have a statutory duty to provide a comprehensive and efficient library service. I am aware that Essex County Council's consultation on its proposals closes on 20 February. I am sure that he and his constituents will want to participate in that consultation.

Thangam Debbonaire (Bristol West) (Lab): It is just not good enough to say, "It's coming—it's on its way." The immigration Bill is necessary for my constituents, whether they work in the creative industries and want to be able to continue to tour around the European Union over the coming years as they do now, work in some other service industry, or are EU citizens themselves. When, when, when will we see the immigration Bill and White Paper?

Andrea Leadsom: As the Home Secretary said yesterday, it will be brought forward soon. As I have just said, it will be as soon as the specifics around the policy are finalised. The hon. Lady, as an Opposition Whip, will be involved in usual-channels discussions, and I encourage her to make her views continually known, as she always does.

Douglas Ross (Moray) (Con): May we have a debate to celebrate the local fundraisers who we all have in our constituencies? I would like to make a special mention of Nancy Jamieson from Keith, who every October since 2005 has cycled 100 miles to raise funds for breast cancer charities and in that time has raised over £13,000. Will my right hon. Friend join me in congratulating Nancy on her great efforts, particularly this year, because when she started she was 89 and when she finished she was 90, having celebrated a very significant birthday at the end of October?

Andrea Leadsom: It is obviously something in the air: my hon. Friend's constituents are extraordinary people and he is absolutely right to praise them as he so often does. The desire to raise money for charitable causes is one of the best human qualities and one that we should all celebrate and encourage. I would like to join him in congratulating Nancy Jamieson and the extraordinary achievement of cycling 100 miles at the age of 90, for which she deserves a huge amount of praise.

John Cryer (Leyton and Wanstead) (Lab): I am pleased that we are due to have a debate on youth violence next Thursday; we will see whether it actually happens. I support the hon. Member for Harrow East (Bob Blackman) in calling for a debate on burglary. I have seen in my constituency a rise in burglary and aggravated burglary.

[John Cryer]

That is not entirely unconnected with the fact that three police stations have closed in my constituency. We do not have a single police station, so that deterrent has completely disappeared. May we have a debate on this?

Andrea Leadsom: As I said to my hon. Friend the Member for Harrow East (Bob Blackman), I am very sorry to hear of the ongoing problem of aggravated burglary in the hon. Gentleman's constituency. He will know that many of the decisions around police station closures are to do with the tendency of people to prefer to report crime via the telephone or online. Nevertheless, it is absolutely vital that police and crime commissioners take the steps necessary to keep their communities safe. I encourage him perhaps to raise this through an Adjournment debate.

Philip Davies (Shipley) (Con): May we have a debate about Northern Rail and its appalling track record—if you will excuse the pun, Mr Speaker? My constituents repeatedly experience trains being cancelled, often at rush hour, so they are late for work, or trains that are completely jam-packed, sometimes so jam-packed that they cannot even get on the next train and are even later for work. Northern Rail is showing a complete disregard for its customers, and the Government really need to do something to make it to get a grip of the situation. Please can we have a debate, because my constituents and I are getting greatly frustrated by its incompetence?

Andrea Leadsom: My hon. Friend is quite right to raise that issue. The disruption to rail passengers has been completely unacceptable. He will be aware that the Department for Transport is seeking resolution of the issues and that there is massive investment going into rail infrastructure, to ensure that we have better passenger experiences, but I encourage him to raise that directly with Rail Ministers.

Liz McInnes (Heywood and Middleton) (Lab): At the launch of the Institute for Public Policy Research report on social mobility this week, the Child Poverty Action Group reported that out of every class of 30 schoolchildren, nine of those children are being brought up in poverty, and six of those have at least one parent in work. May we have an urgent debate on child poverty in the UK, as also identified by the report from the UN rapporteur?

Andrea Leadsom: The hon. Lady raises a very important point. We, as a Government, are absolutely committed to taking care of and protecting children, and that is why we challenge the report to which she referred. In fact, there are fewer children and families in absolute poverty than there were in 2010. There are over 3 million more people in work than there were in 2010, which means more people with the prospect of securing a living for their families, and inequality is at its lowest level ever. Just because the hon. Lady makes those assertions, it does not make them true.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): May we have a debate on the great job that Parliament TV does, allowing our constituents to see what we do in this place and hold us to account? I am

pleased to report to the Leader of the House that a clip of her highlighting the failures of the SNP in this place attracted more than 60,000 views on my Twitter feed.

Andrea Leadsom: I am always delighted to hear about the importance of the Westminster operation to constituents in Scotland, which demonstrates their commitment to remaining a part of the United Kingdom and the relevance of what we discuss here. My hon. Friend's determination to support his constituency interests is admirable, and I commend him for it.

Several hon. Members *rose*—

Mr Speaker: Ah, Mr Snell is wearing a most engaging tie.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Thank you very much, Mr Speaker. [Interruption.] My shirt is not tucked in. My late grandmother would be appalled that I was not correctly attired.

Last week, I asked the Leader of the House whether she could use her offices and influence to help progress Lord McColl's Modern Slavery (Victim Support) Bill. She told me that she was tabling extra days for private Members' Bills, but she will know that the list of private Members' Bills waiting to be heard is so long that Lord McColl's Bill may not make it through. May I ask her again to use her influence to try to get the Bill at least into Committee, so that it can be scrutinised by Members of this House?

Andrea Leadsom: First, may I say that I think the hon. Gentleman looks entirely smart?

Sir Nicholas Soames (Mid Sussex) (Con): Well, up to a point.

Andrea Leadsom: Less heckling from my right hon. Friend.

I am sure the hon. Gentleman's late grandmother would be very proud of him. He raises a serious point about days for private Members' Bills. As he knows, I have sought to provide a further six sitting Fridays for private Members' Bills to make progress. Unfortunately, that was objected to, and an amendment was tabled to reduce that number to five. Those discussions are ongoing through the usual channels, and I hope to come forward soon with an alternative proposal.

Jeremy Lefroy (Stafford) (Con): A constituent of mine bought three tickets earlier this year for the BBC Biggest Weekend concert in Swansea through Viagogo. She expected to pay £50 overall. The confirmation said that she had paid £1,772.41. The bank refused to make that payment, but Viagogo then put a £1 charge through, as a gateway to take the full amount. She has taken it up with the bank and Viagogo, and I have taken it up, but we have not had any positive response. May we have a debate on that kind of behaviour and total corporate irresponsibility—I would almost say corporate theft?

Andrea Leadsom: My hon. Friend raises what sounds like a case of appalling behaviour by a private company, and he is right to do so in this place. We have Digital, Culture, Media and Sport oral questions next Thursday, and I encourage him to take it up with Ministers then.

Matt Western (Warwick and Leamington) (Lab): In 2015, seven-year-old Rowan Fitzgerald, a constituent of mine, died in a bus crash. Last week, having pleaded guilty, Midland Red—part of Stagecoach—was sentenced and fined under the Health and Safety at Work etc. Act 1974. At the time of the accident, the driver was 77 years old and had worked an average of 72 hours in the four weeks up to and including the week of the tragedy. Currently, this is not illegal, as short-distance local bus drivers can work unlimited hours. Will the Leader of the House consider having a debate on limiting working hours for local bus drivers to ensure that a tragedy like this is never allowed to happen again?

Andrea Leadsom: The hon. Gentleman raises a really tragic case, and I know we were all desperately sorry to hear of it. He raises an important point about the number of hours that individuals are allowed to work, and I encourage him to raise it directly with Business, Energy and Industrial Strategy Ministers and Transport Ministers. There is always a balance to be struck between ensuring that people are fit for work and enabling them to earn a living, but he raises a very important point.

Vicky Ford (Chelmsford) (Con): This year has been a fabulous one for women in Parliament, and it would be excellent if this centenary year could leave a lasting legacy for those to come. Yesterday, the all-party group on women in Parliament—I encourage women from across the Floor to come along—met Professor Sarah Childs to look at her report on “The Good Parliament” and see what more can be implemented. Given the support from across this Chamber for proxy voting for baby leave, does my right hon. Friend think that we could make more progress on that before the end of this centenary year?

Andrea Leadsom: First, I congratulate my hon. Friend on all her work as chair of the all-party group on women in Parliament. I repeat to her that I am absolutely committed to ensuring the Government do all they can to allow new parents to spend that vital early time with their new babies. We had a valuable debate during the September sittings, and as I confirmed in the debate, I will bring forward a substantive motion on proxy voting as soon as I can.

Nick Thomas-Symonds (Torfaen) (Lab): Pen-y-Bryn, Glanwern House and the Beeches retirement homes in my constituency face Christmas under threat of closure. May we have a debate on retirement home provision, acknowledging that while we of course have to plan for the future, that should never be at the expense of our existing residents, who really rely on and thrive in these facilities?

Andrea Leadsom: I think that we all want to pay tribute to all those who look after elderly people in such a caring way, and those retirement homes are vital for some older people who perhaps do not have extended families to help them in such ways. The hon. Gentleman is right to raise this issue, and I would encourage him to seek an Adjournment debate so that he can talk about his particular constituency issues.

Stephen Kerr (Stirling) (Con): Earlier this year, my right hon. Friend the Secretary of State for International Trade held a very successful event with businesses in

Stirling. I know for a fact that Stirling’s businesses want to see Scotland’s two Governments working together in areas such as trade. I have become aware that the Government are about to set out a new intergovernmental concordat with the devolved Administrations on trade. May we have a statement?

Andrea Leadsom: My hon. Friend raises a very important issue for Scotland and, in particular, about how the entire UK can work together to promote some of the amazing exports that come from Scotland as well as from England. When I was Environment, Food and Rural Affairs Secretary, I had the great pleasure of attending some of the international food and drink symposiums of which Scottish whisky, smoked salmon and so on formed such an important part. *[Interruption.]* Yes, and haggis, too. I absolutely encourage my hon. Friend to seek a Westminster Hall debate so that hon. Members can discuss this important concordat.

Stephanie Peacock (Barnsley East) (Lab): May we have a debate in Government time on recognising great British sporting heroes, including Cudworth resident Dorothy Hyman, and my campaign to secure her BBC sports personality of the year trophy 50 years after it was originally awarded to her?

Andrea Leadsom: I join the hon. Lady in congratulating Dorothy Hyman on her win 50 years ago. I wish the hon. Lady success in promoting her constituent at the forthcoming sports personality of the year. I encourage her to raise the issue at DCMS questions next week.

Bob Stewart (Beckenham) (Con): May we have a debate to remember all the people who were killed by terrorists in Northern Ireland, particularly on this day? The House should remember the 17 people killed at Ballykelly shortly after 11 o’clock on this day 36 years ago. Of those 17 people, 11 were soldiers, with eight from the Cheshire Regiment. Six were civilians, and significantly and extremely sadly five of them were young women.

Andrea Leadsom: I know my hon. Friend was the incident commander that night and lost many of his own men. He reminds the House of the dreadful events of the Ballykelly bomb in 1982. As with all acts of terrorism, this was an act of unspeakable evil for which there can be no possible justification. We all owe a vast debt of gratitude to the heroism and bravery of the soldiers and police officers who upheld the rule of law. Our thoughts today remain with the families of those who lost loved ones in this appalling attack.

Daniel Zeichner (Cambridge) (Lab): Conservative-run Cambridgeshire County Council has sent a miserable Christmas present to their staff this year by demanding they take three days unpaid leave at Christmas—effectively a 1.2% pay cut. May we have a statement from a Minister to explain the mess they have made of local council finances?

Andrea Leadsom: I am sorry to hear about the situation for the staff in the hon. Gentleman’s local area. I wish them all a very happy Christmas in spite of it. He will be aware that the local government finance statement will come forward soon. I suggest he raises it with Ministers then.

Chris Green (Bolton West) (Con): The hospice movement does a fantastic amount of very good work, none more so than Derian House in the constituency of my parliamentary neighbour, the right hon. Member for Chorley (Sir Lindsay Hoyle). May we have a debate on the difference in state support between the general hospice movement and children's hospices, such as Derian House? Normal hospices receive about 30% of their income from Government support, while children's hospices receive about a third of that. May we have a debate on closing that gap?

Andrea Leadsom: I am grateful to my hon. Friend for raising such an important matter. Hospices across the country provide vital respite, as well as end-of-life care. To compensate for the lower levels of funding that children's hospices receive, NHS England provided £11 million in 2018-19 through the children's hospice grant, which is awarded annually. I can tell him, however, that end-of-life care is an important part of the proposals that are helping to shape the long-term plan for the NHS. The children's hospice grant is being considered as a part of that.

Marsha De Cordova (Battersea) (Lab): In my constituency, Wandsworth Council is planning to close York Gardens children's centre and to cut universal stay-and-play for nought to three-year-olds at the Yvonne Carr children's centre. Parents have got in touch with me to share their concern, worry and dismay at the move by the council. Like parents across the country, they recognise the importance of children's centres and they rely on them. May we have a debate in Government time to discuss Government funding and funding for children's centres?

Andrea Leadsom: I share the hon. Lady's enthusiasm for children's centres and the work they do right across the country. They really do provide valuable support for new families and families with young children. She will be aware that councils are receiving over £200 billion to deliver local services, including children's services, up to 2020. The Government are setting out to provide local councils with the financial support to be able to provide for the needs of their own local communities.

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): In 2012, a decision was taken by the Government to dissolve the University of Aberdeen's Royal Naval Unit and merge it with Edinburgh. I campaigned against that decision as a student and I am campaigning to overturn it now as an MP. URNUs are brilliantly positive organisations, affording students a great opportunity to experience life with the Royal Navy and doing much for the visibility of the Royal Navy in the wider world. Will my right hon. Friend grant a debate in Government time to debate the importance of University Royal Naval Units not just to the universities and communities that they serve, but to our senior service?

Andrea Leadsom: University Royal Naval Units offer dedicated training facilities in or around universities, and they certainly spread much needed awareness of the role of the Navy to students. They open up huge opportunities for students right around the country so I fully understand my hon. Friend's disappointment about the 2012 closure of his closest URNU in Aberdeen. I understand that the relocation to Edinburgh captures a

greater number of students and offers easier access to waters, but I suggest that he perhaps seeks an Adjournment debate so that he can discuss further his concerns.

Albert Owen (Ynys Môn) (Lab): May I ask the Leader of the House for a debate on the UK shared prosperity fund? Many communities, including my own of Ynys Môn, have been beneficiaries of the European social fund. The clock is now ticking and many of those communities need to do planning for post-2020, so that the poorest communities in our country can get the help and support that is needed.

Andrea Leadsom: The hon. Gentleman will be aware that the UK shared prosperity fund will replace the previous EU funding. In fact, the priority for debate today is the economic proposals under the meaningful vote debate, so he might well wish to raise that later today.

Paul Masterton (East Renfrewshire) (Con): May we have a debate on the benefit of the Men's Sheds movement in tackling social isolation and loneliness? Last week, the Barrhead Men's Shed celebrated its fifth birthday, and I was absolutely delighted to congratulate it on its work, so will my right hon. Friend join me in congratulating Alex Storrie, Alex Locke, Bill Core, Fiona Currie and all the shedders at Barrhead's Men's Shed for everything that they do for our community?

Andrea Leadsom: That is a shedload of congratulations to all those in his constituency who are doing such good work to support men's mental health and other mental health issues. I am delighted to share in his congratulations to them.

Patrick Grady (Glasgow North) (SNP): I do not know whether I should admit this as a Whip, but when I went into the Lobby on Tuesday, I was slightly concerned about the number of Conservative Members and I thought that I had walked into the wrong one. Of course, this coming Tuesday, there is the likelihood of people walking into all kinds of Lobbies that they are not normally accustomed to, so can we not finally reform this totally arcane procedure, which is leading to crushes and delays, and get on with it, modernise the system and introduce electronic voting?

Andrea Leadsom: I would have thought that the hon. Gentleman would have loved to be in the same Lobby as some of my hon. Friends and to be able to share and enjoy the moment. He does raise an important point. I know that this House has considered alternative methods of carrying out our business. If he wanted to discuss it with the Procedure Committee and if the Committee wanted to have an inquiry, I would be delighted to look at it, but as he and all other hon. Members will notice, every time I put forward a motion, somebody objects to it—it just seems to be par for the course these days.

Ian Murray (Edinburgh South) (Lab): My constituent, who wishes to remain anonymous, is being treated for severe depression and has contemplated suicide as a result of the retrospective tax changes that the Government introduced in the Budget last year. He runs a small business and is a family man. He is just about to lose his house and his business because he is being pursued by Her Majesty's Revenue and Customs. Could we have a

statement in this House from the Chancellor about the impact of retrospective tax changes on people's livelihoods and homes?

Andrea Leadsom: I am very sorry to hear about the hon. Gentleman's constituent. It is always incredibly difficult when somebody comes up against an issue that was unexpected for them, and I hope that his constituent will find a way through this difficult time. I just say to the hon. Gentleman that we have the Chancellor of the Exchequer here shortly to open the debate on today's economic assessment of the withdrawal agreement and political declaration, and indeed, we have Treasury questions next week, so there are plenty of opportunities for the hon. Gentleman to raise this matter.

Clive Efford (Eltham) (Lab): Does the Leader of the House share my interpretation of the passing of the amendment from the right hon. and learned Member for Beaconsfield (Mr Grieve) on Tuesday, which is that if this House does not vote in favour of an amendment that allows this country to leave the European Union without a deal, the Government cannot leave without a deal? Is that correct?

Andrea Leadsom: The practical impact of the Grieve amendment is that if we are not successful in winning the meaningful vote, the Government will return to Parliament to set out their next steps. The amendment means that at that point the Commons will be able to express its view by tabling amendments to the Government's preferred way forward. I should add that the Prime Minister remains fully focused on the importance of winning the vote on Tuesday, and is determined to do so.

Joanna Cherry (Edinburgh South West) (SNP): At 8 am on Monday, the Grand Chamber of the Court of Justice of the European Union will issue its final judgment on the question of whether article 50 can be revoked—and revoked unilaterally—in response to the case brought by me and by a number of other Scottish parliamentarians. Yesterday the Prime Minister acknowledged that it was highly likely that the Grand Chamber would follow the Advocate General's opinion.

Given the considerable amount of public money that has been expended by the Government in fighting me and my fellow petitioners through the Scottish courts, the UK Supreme Court and the Court of Justice of the European Union, does the Leader of the House agree that the UK Government owe it to the people of this country—the taxpayers—and the House of Commons to come to the House on Monday and make a statement about the outcome of the case and how they intend to proceed, and justify the expenditure of public money to prevent the House and the people of the United Kingdom from knowing the answer to that question?

Andrea Leadsom: As the hon. and learned Lady will appreciate, a democratic vote in the 2016 referendum determined that the United Kingdom would leave the European Union, so the issue of whether the United Kingdom could choose not to leave the European Union is not one that the Government are minded to pursue. Nevertheless, the hon. and learned Lady will have ample opportunity over the next few days of debate to raise specific questions with Ministers about what the Government's response should be to the findings of that judicial review.

Grahame Morris (Easington) (Lab): According to written parliamentary answers that I have received to my questions 193440 and 196869, only 308 out of 144,000 universal credit claimants have been offered home consultations. May we have an urgent debate about the systematic refusal of the Centre for Health and Disability Assessments to provide home consultations for sick and disabled universal credit claimants?

Andrea Leadsom: The hon. Gentleman has raised an important point, and I am sure that he will wish to raise it with Ministers directly during questions to the Secretary of State for Work and Pensions at the next opportunity. Let me add, however, that universal credit overall is designed to help people, to get them back into work, and, when necessary, to give them more support. Since last year's Budget we have scrapped the waiting days and increased advance payments to 100%, and we are now paying two weeks' housing benefit to people moving on to universal credit. We have also formed a partnership with Citizens Advice in order to deliver universal support that helps claimants through every step of making a claim.

Jim Shannon (Strangford) (DUP): The Leader of the House will be well aware of the displacement of 100,000 Christians from Mosul as a result of Daesh's campaign of terrorism. Rudaw reports that Daesh has destroyed thousands of Christian homes, as well as 120 churches and Christian shrines in Mosul alone. It is estimated that the renovation of those properties would cost a minimum of \$12.5 million. While thousands of displaced Christians have returned to the Nineveh plains, only a few have returned to Mosul. Their houses remain destroyed, and the security situation is unpredictable. More must be done to help these people. Will the Leader of the House arrange a statement or a debate on this very concerning matter?

Andrea Leadsom: The hon. Gentleman paints a horrendous picture of the plight of the Christians who have been so badly treated by Daesh and the terrorist attacks that have taken place. He is absolutely right to do so, and I encourage him to seek a further Westminster Hall debate. I know that he secured one recently and will have raised a number of these issues then, but it is very important that the House always remains aware of what is going on, and, of course, that we continue to support all those who are being so terribly abused.

Judith Cummins (Bradford South) (Lab): Recent figures released by IPPR North show that the north of England has seen the biggest spending cuts of any UK region; in fact, public spending in the north has fallen by £6.3 billion but has risen across the south. People in Bradford and across the north know that austerity is not ending for them; this is fact, not assertion, and to say otherwise does my hon. Friend the Member for Heywood and Middleton (Liz McInnes) a great disservice. So may we have a debate in Government time on these unfair disparities in public spending and what urgent steps the Government are taking to invest in the north?

Andrea Leadsom: The hon. Lady will recall that it was this Government who introduced the northern powerhouse, devolved so many powers to local government, introduced mayoral authorities and invested over a quarter of a trillion pounds on infrastructure since 2010. Public

[*Andrea Leadsom*]

investment has been 14% higher on average than under Labour, and we have embarked on the biggest rail programme since Victorian times and the largest road-building programme since the 1970s. The northern powerhouse and the north of England have significantly benefited from this Government's commitment to developing an infrastructure that is fit for the 21st century.

Justin Madders (Ellesmere Port and Neston) (Lab): On 23 November the PSA Group announced another 241 redundancies at Vauxhall in Ellesmere Port; when they have been completed we will have lost over half the workforce in just a year, so as the Leader of the House can understand there is real anxiety about the future of the plant. May we have a statement about what the Government can do to protect this vital piece of manufacturing in my constituency?

Andrea Leadsom: I am very sorry to hear about the further redundancies in the hon. Gentleman's constituency. He will be aware that the Jobcentre rapid response team will be available to seek to redeploy staff who have lost their jobs, but this is a very difficult time of year and they deserve our sympathy. The hon. Gentleman might well wish to raise this issue at Treasury questions next week.

Conor McGinn (St Helens North) (Lab): St Helens Council has lost 71% of its funding since 2010, so while it has not welcomed the local government funding settlement that has at least provided certainty from which to plan. Will we have the announcement before Christmas, and if so will the Government leave us a few quid under the council Christmas tree, as opposed to taking the presents back up the chimney?

Andrea Leadsom: As I have already said to other colleagues, we have Ministry of Housing, Communities and Local Government questions on Monday, and I encourage the hon. Gentleman to raise that matter there.

Diana Johnson (Kingston upon Hull North) (Lab): And in other news this week, the Select Committee on Transport found the Transport Secretary culpable of the timetabling chaos earlier this year, January's rip-off rail fares have been noddled through, and, as my hon. Friend the Member for Bradford South (Judith Cummins) just said, IPPR North research shows that spending fell by £18 per person in Yorkshire and the Humber since the launch of the northern powerhouse in 2014 while increasing by £326 per person in London. Moreover, Crossrail 1 is demanding the third bail-out within a year and the chair of HS2 has resigned after just four months. Given this and the Transport Secretary's trail of calamity from the DWP through Justice and into Transport, may we now have a debate on why he seems to be unsackable?

Andrea Leadsom: I refer the hon. Lady to the answer I have just given about this Government's commitment to the northern powerhouse and to ensuring we develop an infrastructure that is fit for the 21st century. Our investment in infrastructure has been unparalleled over many decades. With regard to the rail review, my right hon. Friend the Transport Secretary has made it absolutely clear that he finds the disruption to passenger services

over the past few months unacceptable. He has a very broad-ranging review under way to look at what can be done differently in future to ensure we get the better journeys and the better fare structure that our passengers deserve.

Carol Monaghan (Glasgow North West) (SNP): The UK does not produce radio isotopes that are used in medicine for cancer diagnosis and treatment. At the moment Euratom guarantees the time-critical delivery of these materials, so may we have an urgent debate on the arrangements for the supply of these materials—radio isotopes in particular—in medicine post-Brexit?

Andrea Leadsom: I understand from colleagues on the Front Bench that this question was raised just now in Department for Exiting the European Union questions and reassurances were given. The Government are preparing for all eventualities, including ensuring that radio isotopes for medical purposes remain available in the event of all outcomes, including no deal.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Next Thursday, we are having a debate on tackling youth violence with a public health approach, and I want to ensure that we can inform the debate better. Will the Government provide a written statement on what they have been doing about this, before the debate? Also, will the Leader of the House ask all the relevant departmental Ministers to attend the debate and at least listen to it even if they do not respond? I genuinely believe that this will help to ensure that we have a good debate on an issue that I and many other Members think is so important.

Andrea Leadsom: As the hon. Lady knows, I completely agree with her that this is a vital issue and that we have to do everything we can. I genuinely believe that the Government are doing everything possible through publishing the serious violence strategy, establishing the serious violence task force and progressing the Offensive Weapons Bill, as well as through many interventions through community projects to try to get young people off a life of crime. And yes, I absolutely will take up with other Departments the hon. Lady's request for Ministers to attend if they possibly can.

Dr David Drew (Stroud) (Lab/Co-op): The Government have brought forward the national funding formula for schools, which is something I strongly support, but will the Leader of the House organise an urgent debate on those recalcitrant authorities such as Gloucestershire that still refuse to pass the funds through to schools?

Andrea Leadsom: I am glad that the hon. Gentleman recognises the value of the new national funding formula. He will be aware that we are investing more than £1.3 billion up to 2020 to attract new teachers into the profession, and that 1.9 million pupils are now in good or outstanding schools since 2010. That is something that we can all be proud of. He has raised a specific issue about his local authority, and I encourage him to raise that matter at Education questions next week.

Chris Stephens (Glasgow South West) (SNP): May we have a debate or a statement on encouraging young people to becoming involved in social enterprise and become young entrepreneurs, as celebrated in early-day motion 1892, which congratulates Erin McGinley, a

pupil at St Oswald's School and a Pollok resident, on being a finalist in the Scottish young entrepreneur of the year awards this year?

[That this House notes the entrepreneurial achievements of Erin McGinley, a talented and inspirational youngster based in Pollok; congratulates her on being shortlisted as a finalist in the Young Entrepreneur of the Year category at the Scottish Entrepreneur of the Year Awards 2018 for her fantastic small business EMO-G; praises her success at the Young Enterprise Awards in April 2018; commends her on winning a Caritas Award earlier in the year; and wishes her a very successful future in all that she does.]

Does the Leader of the House agree that we should encourage and support all such talented and inspirational young people?

Sir Mike Penning (Hemel Hempstead) (Con): Worth waiting for.

Andrea Leadsom: Absolutely! That was very much worth waiting for, and I congratulate Erin on being a finalist. That is fantastic news and a great achievement. We all celebrate the achievements of young people, particularly when they want to get involved in raising funds for charities or in starting their own businesses. That is absolutely the right way to go, and I join the hon. Gentleman in congratulating Erin.

Members' Interests

(Standing Order 149(1)(a))

Boris Johnson (Uxbridge and South Ruislip) (Con): On a point of order, Mr Speaker. You will be aware that the Committee on Standards has today published a report on nine payments, mainly unexpected foreign royalties, which I am very sorry to say were recorded late on the Register of Members' Financial Interests. I fully accept that the delay was a breach of the House's rules and, though I am grateful to the Committee for recognising that there was no intention to mislead the House and that I have been completely transparent, I therefore offer the House a full and unreserved apology.

Mr Speaker: I am very grateful to the right hon. Gentleman for what he has said, and for the way in which he has said it. He has been very prompt, and that is appreciated. We will leave the matter there.

European Union (Withdrawal) Act

[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 unmistakable. 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 am

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.

Several hon. Members rose—

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 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

[Richard Burden]

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.

Several hon. Members *rose*—

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

[Mr Philip Hammond]

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 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

[*Marsha De Cordova*]

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 pm

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, but 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 counterproductive.

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 Government Members 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 Government Members. 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

[John McDonnell]

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.

Several hon. Members *rose*—

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.

1.13 pm

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 remainder. 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.

[Sir Nicholas Soames]

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”.

1.23 pm

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.

[Stewart Hosie]

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, 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 by 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. By 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 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 look 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.

1.46 pm

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.

[Mr David Davis]

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.

[*Mr David Davis*]

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.

2.5 pm

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 they 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 the 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 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.

Several hon. Members *rose*—

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.

2.11 pm

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. 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

[*Damian Green*]

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.

2.16 pm

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 on 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.

2.21 pm

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.

2.26 pm

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

[Angus Brendan MacNeil]

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.

2.31 pm

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.

2.36 pm

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 unco-ordinated 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.

2.41 pm

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

[Mr John Baron]

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.

2.46 pm

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.

2.51 pm

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.

2.56 pm

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 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 leave with 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

[Mr Clive Betts]

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 right—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.

3.1 pm

Mr David Jones (Clwyd West) (Con): It is a huge privilege 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.

3.6 pm

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.

3.11 pm

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 that 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

[*Antoinette Sandbach*]

come together, compromise and work towards an outcome that delivers for our country. It may not be perfect, but it is a good deal.

3.16 pm

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. In 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.

3.21 pm

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?

3.26 pm

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 serve. 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.

3.31 pm

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.

3.36 pm

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.

3.42 pm

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 the 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 to 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 speak 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, I 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.

[Johnny Mercer]

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.

3.46 pm

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 that is vague and uncertain and that, 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.

3.51 pm

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: 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, DUP Members, who 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.

3.55 pm

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 Brexit.

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.

Several hon. Members *rose*—

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.

4.1 pm

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

[Nigel Huddleston]

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.

4.4 pm

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.

4.8 pm

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 right hon. and 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.

4.12 pm

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 that 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

[*Ged Killen*]

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.

4.17 pm

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.

4.21 pm

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.

4.25 pm

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 our and 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.

4.28 pm

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

[*Albert Owen*]

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.

4.32 pm

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 that 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.

4.36 pm

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 us 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?

4.41 pm

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.

4.45 pm

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

[Ian Paisley]

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—forever—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.

4.49 pm

Robert Neill (Bromley and Chislehurst) (Con): It is a pleasure 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.

4.53 pm

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.

4.56 pm

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 why 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.

5 pm

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

[Joan Ryan]

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 Brexiters.

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.

5.4 pm

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.

5.8 pm

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.

5.12 pm

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 outcome. 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.]

[Jeremy Lefroy]

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.

5.15 pm

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 to 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 importantly, 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 motion 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.

5.19 pm

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.

5.23 pm

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.

5.27 pm

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.

[Maggie Throup]

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 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.

5.31 pm

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 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.

5.35 pm

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 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.

5.39 pm

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 to 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.

5.44 pm

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

[Colin Clark]

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.

5.48 pm

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.

5.52 pm

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 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.

5.56 pm

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.

5.59 pm

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."

[Mr Simon Clarke]

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 lest—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 exorcised. 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.

6.3 pm

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.

6.7 pm

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 to remain—because, as I wrote at the time, the short-term risks outweighed the potential longer-term benefits—and those who voted to 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.

6.11 pm

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, 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

[Sarah Jones]

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.

6.15 pm

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 Opposition Members—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.

6.19 pm

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.

6.23 pm

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 to 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. 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.

6.27 pm

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

[Jim McMahan]

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 that 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.

6.31 pm

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.

6.35 pm

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.

6.37 pm

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

[Stephen Kinlock]

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.

6.41 pm

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.

6.45 pm

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.

6.49 pm

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 the 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.

6.52 pm

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.

[*Rachael Maskell*]

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.

6.57 pm

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 that 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.

7.1 pm

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 that 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 both 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

[Barry Gardiner]

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 “Defect 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 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.

7.14 pm

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

[Barry Gardiner]

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 we cross to the other side of the channel, we find 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 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.

[Dr Fox]

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: 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: 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: 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.

Seahorses: Illegal Trade in the UK

Motion made, and Question proposed, That this House do now adjourn.—(*Gareth Johnson.*)

7.51 pm

Sir Hugo Swire (East Devon) (Con): And now for something completely different. I had hoped that more colleagues would have wanted to stay for this important debate and would, in fact, be rather envious of seahorses, who go about their business at the bottom of the ocean completely ignorant, perhaps, of regulatory borders, backstops and barriers to trade. Perhaps they have never even heard of Brexit or the withdrawal Bill; we must envy them in that respect.

Seahorses are unique marine creatures. Swimming upright in a manner unlike other fish, they change colour like chameleons, with an eponymous head and neck featuring segmented bony armour. For those Members grounded in the classics—I am sure that, of the few Members in this Chamber, there are at least one or two who are—their genus stems from the ancient Greek hippocampus, meaning “horse sea monster”. Such a translation would belie their elegance, gracefulness and mythical persona. Many are only an inch or two long. In practical terms, they range in size from a pine nut to a banana. Art and cultural works depicted the hippocampus quite literally as a sea horse—half horse, half sea monster—from the lamp posts of Dublin to the Trevi Fountain in Rome. Surely these delicate creatures are the cultural and artistic prism through which our fascination with the seas and oceans has been magnified.

Jim Shannon (Strangford) (DUP): I always research and rehearse these things, and from my research, I have become aware that some 33 known species of seahorses were classified as vulnerable. In 2002, there were reports of as many as millions of seahorses being taken out of the sea and put in the sun to dry—a slow and painful death—and then used as jewellery. Does the right hon. Gentleman feel that something needs to be done with China to prevent these sales and what people are doing?

Sir Hugo Swire: Clearly, I do, which is why I am having this debate. The hon. Gentleman has uniquely not managed to mention Strangford Lough in his intervention—I am sure that there are some seahorses there, or that there were at some point—but he makes his point well, and I will come to that in a minute or two.

Seahorses play an important role in coastal ecosystems, eating small crustacea such as mysis shrimp up to a remarkable 50 times a day. The seahorse is a highly adapted predator and is, in turn, preyed upon in very large numbers. Unusually, the male seahorse gives birth to thousands of fry per annum, although, sadly, out of every 2,000 born only one or two survive to maturity. They fulfil a role of maintaining the checks and balances of a natural ecosystem, and without them, one more brick in the wall of nature would be gone.

The British coastline is home to two species: the spiny seahorse, occasionally known as the long-snouted seahorse—which *Hansard* will have to confirm is *Hippocampus guttulatus*—and the short-snouted seahorse, or *Hippocampus*. They are not as widespread across our isles as many may assume and are to be found

predominantly in an arc stretching from the Shetland isles down the west coast to the south coast of England. Sightings on the east coast, in the North sea and across the channel in our dear ally and neighbour France are far more sporadic. In July last year, it was widely reported that short-snouted seahorses had been discovered in my part of the world, off the coast of Devon, although the species is more commonly found in the balmy waters of the Mediterranean and south-west of the Isles of Scilly. Having said that, I should add that they are indeed indigenous. We should be protective of them, and we should be pleased and proud that they are an important part of the natural ecosystem of the British Isles.

Tragically, the traditional medicine, curio and aquarium trades are threatening the future of seahorses. We know that 25 million to 65 million per year are taken from seas and oceans across the world. However, those are official figures based on what might be termed the official trade. Environmental groups estimate that in excess of 150 million per year are killed, on the basis of counts during undercover operations. All species of seahorse are protected under CITES, the convention on international trade in endangered species, although the illegal trade overshadows the legal trade by a greater margin.

I expect that Members who are watching or attending the debate, and the public watching at home, would blame the demise of those seahorses on traditional Chinese medicine, as they are purported to be an aphrodisiac and a combat against common ailments. However, according to some estimates, the curio trade and traditional Chinese medicine take roughly the same number from the wild. Both are devastating, cruel trades that have far-reaching consequences worldwide. Seahorses might be seen ground up in dodgy medicines, or being sold as souvenirs in seaside markets. Along with shells and starfish, they are deliberately taken from the sea and—as we heard from the hon. Member for Strangford (Jim Shannon)—left to die in the boiling sun. I could not imagine a more unpleasant way of death.

However, what we do in this country can protect the seahorses around our coasts and islands, and further afield. The illegal trade is truly international, so I am not suggesting that all the seahorses circulating in UK marketplaces and shops are harvested from our shores; far from it. Indeed, the two species found off our coasts are among the most threatened of all species in the UK. These creatures are far more likely to be found imported in shipping containers hidden among other licensed goods from Malaysia or the seas of China, where they are far more abundant. Should we not be asking how we can take international leadership in protecting them, rather than wagging the finger at other countries? My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs has asserted that a ban on ivory sales would

“reaffirm the UK’s global leadership ... demonstrating our belief that the abhorrent ivory trade should become a thing of the past.”

While the seahorse trade is regulated rather than prohibited, I know that my right hon. Friend is no less enthusiastic about our doing what we can to ensure that seahorses do not just survive, but can thrive within our fragile ecological wall.

This debate is not about our existing regulatory framework, but about enforcement. It is about practice rather than theory. There is no case in which a CITES

permit is not required for the export, import, re-export or re-import of any seahorse, alive or dead, in part or as a whole. As such, all seahorses require a CITES permit and authorisation by a scientific management authority. Of course, questions remain as to whether police wildlife crimes officers, the Animal and Plant Health Authority, and Her Majesty's Customs and Excise have adequate resources to carry out enforcement of existing regulations, so will my hon. Friend the Minister agree to look again at the resources required to support these agencies?

Fundamentally, I believe we must tackle the ease with which one can purchase seahorses illegally online. The whole struggle is that online platforms, including social media companies, are not insisting that CITES evidence is uploaded with the product listing. One major platform insists that it is not responsible for what its sellers sell. So brazen are traders in seahorses that they do not even need to go on to the dark web—although I am not over-familiar with the dark web, Mr Speaker, and nor will you be. Online platforms police themselves across their sales, as one would expect. When seahorse products are reported to them, they generally remove the listings. However, some major online platforms are not responding to customer reports of illegal sales.

To have one central place where we can report illegal sales would be much more efficient in bringing about prosecutions of repeat offenders. It could be a portal that would also provide authorities with a central pool of data to monitor trends across websites and areas of the United Kingdom. The Government should evaluate the effectiveness of existing statutory regulations in allowing the fining and prosecuting of online platforms illegally trading in seahorses. I therefore call on the Government, through the Minister, to encourage the reporting of illegal listings to online platforms by publishing straightforward guidance for the public, social media and online marketplace companies.

I was delighted to have a meeting with representatives of the excellent environmental charity the Seahorse Trust, based in beautiful Topsham in my constituency. I know they are eagerly following this debate and are very grateful that I have managed to secure it and that they are waiting with anticipation to hear the Minister's response, as indeed we all are. The Seahorse Trust is responsible for overseeing and working in partnership with a number of research projects around the world through a loose collection of seahorse groups called the Seahorse Alliance. It is a small organisation punching well above its weight in getting the plight of the seahorse noticed by regulators, online marketplaces and the general public. I am sure the Minister would like to pass on how delighted its representatives were to have the opportunity to bring their concerns before the Secretary of State earlier this year, when I took them to see him in his offices.

Mr Speaker, I would like to end—and indeed you would like me to end, as you have been in the Chair all day, which is staggering—by saying that now is the time. We are doing such things in many other areas of wildlife, and we are doing a great job. This Government are doing a tremendous job, but it is now time to show leadership on the illegal trade in seahorses by targeting how they are traded while simultaneously ensuring that those tasked with policing the trade are resourced so to do. We cannot keep chipping away at our ecological wall and expect to get away with it.

8.3 pm

The Minister for Agriculture, Fisheries and Food (George Eustice): I congratulate my right hon. Friend the Member for East Devon (Sir Hugo Swire) on securing this debate and on his support for the protection of seahorses, one of our most unusual and beautiful fish. He has most eloquently described their unique nature and their role in coastal ecosystems, and I join him in paying tribute to the Seahorse Trust and others for their work in raising awareness of their plight. While only two species inhabit UK waters from Shetland to Devon, there are over 50 species that inhabit many of the shallower coastal waters across the globe. As my right hon. Friend said, they are unlike most other fish in the way that they look and the way that they live. This even extends to their reproduction, as it is the males that take on eggs from the female and then take responsibility for giving birth to and raising the young seahorses.

Seahorses do not, however, differ from other species of fish in the pressures that they face and the threats to their survival. Seahorses are caught for the aquarium and traditional medicine trades, or sometimes simply for trade as curios. They are affected by pressures on their environment such as habitat loss, and they can be affected as bycatch as a side effect of fishing activities targeted at other species. Trade in seahorses to the UK is mainly in live animals, the majority of which have been bred in captivity. Between 2010 and 2015, the UK imported around 21,300 live seahorses that had been bred in captivity and 1,700 live wild seahorses.

As I said earlier, there are two species of seahorse in the UK: the short-snouted seahorse and the long-snouted seahorse. Both species are listed on the OSPAR list of threatened or declining species and habitats and, as a contracting party to OSPAR, we are committed to taking measures to protect them. Both native seahorse species have a wide distribution around the UK and are found all around the British Isles and Ireland, right up to the Shetland Islands. Seahorses feed mainly on very small marine crustaceans. Adult seahorses can eat between 65 and 70 of these a day, whereas the fry eat up to 3,000 plankton-sized bits of food every 24 hours. Seahorses are often taken by predatory fish, and they have to rely on their camouflage to avoid detection as they are poor swimmers.

The protection of endangered species around the world is a key priority for this Government. The wellbeing of our society depends on a healthy environment, and that requires policies to deliver healthy ecosystems, global biodiversity and the conservation of species. My right hon. Friend can be assured that we are taking action, bilaterally and through international agreements, to protect wildlife populations both around the UK and further afield, whether they are threatened by poaching, habitat loss or unsustainable use. The United Kingdom is rightly recognised as a global leader on environmental issues, whether by raising the illegal wildlife trade up the international agenda or through our commitment to tackling climate change, deforestation and ocean acidification.

At home in our waters, we are providing increasing levels of protection to marine life, including seahorses, through the designation of marine conservation zones. They provide a means for protecting seabed habitats and the species that live on and in the seabed, such as seagrass beds and the seahorses that live in them. We have

[George Eustice]

so far designated 50 marine conservation zones—some of them, such as Torbay and Beachy Head West, with the specific objective of protecting seahorses. We have consulted on a third tranche of MCZs where we have proposed to designate a further 41 sites. Some of these, such as Studland Bay, Beachy Head East and Bembridge, will again specifically protect seahorse populations. We expect decisions on third tranche site designations by June next year.

As with illegal trade, we are also working to protect marine species on a global scale. The UK and our 14 overseas territories are custodians of the fifth largest marine estate in the world. We have committed to create a “blue belt” to protect and conserve around 4 million sq km of waters around the overseas territories. Seahorses also receive protection through the UK’s Wildlife and Countryside Act 1981 and through the listing of seahorses under CITES—the convention on international trade in endangered species—and related EU regulations. Trade in seahorses is indeed regulated rather than prohibited. In the UK, it is an offence to trade in species of seahorse native to the UK unless there is evidence that the seahorses have been captive bred. Where there is illegal trade in seahorses—for example, where there is no evidence that the specimens were legally imported—we can prosecute under the Control of Trade in Endangered Species Regulations 2018.

In the UK, seizures of seahorses at our borders are thankfully few and far between. In the past calendar year, there have been 14 in total, and none has been of a significant nature. They have primarily involved traditional medicine products of which seahorses were identified as a component. As we have heard, though, protections are only as effective as the enforcement behind them. I can tell my right hon. Friend that there was a conviction with a fine in 2014 at Bromley for the offence of selling a product containing seahorses. There was a further case in 2015 in which someone was cautioned. Of the 14 seizures I mentioned, one involved five live seahorses for the marine trade in which permit errors were identified, one seizure of 13 dried seahorses that were part of a Chinese medicinal package, and 12 seizures of pills in which seahorses were identified as being one of the medicinal ingredients.

We recognise the importance of tackling wildlife crime and have therefore increased funding for the National Wildlife Crime Unit to provide intelligence and support for local police forces. The unit plays an important role in supporting police forces to detect and prevent wildlife crime, including the illegal trade in seahorses, and it has, for instance, acted on information from the Seahorse Trust, which my right hon. Friend mentioned, on potential illegal activity. Nevertheless, my right hon. friend has suggested that we should evaluate the effectiveness of the protections already in place. He will therefore be pleased to know that we made such a commitment when we hosted the illegal wildlife trade conference in London in October. We committed there to conduct a comprehensive analysis of the strengths and weaknesses of preventive and

criminal justice responses and other measures related to the protection and monitoring of wildlife and forest products. That will be undertaken by the International Consortium on Combating Wildlife Crime in the coming months and will help to identify any shortcomings in our regulatory regime.

With respect to the illegal wildlife trade, the Government have a strong record of leadership, and the UK is at the forefront of international efforts to protect endangered animals and plants from unsustainable and illegal trade. This trade is not limited to certain countries or regions and is a truly global phenomenon affecting plants, animals, fish, birds and insects, and the Government are committed to tackling all the elements. We are committed to working with our international partners around the world to tackle the growing problem, and our response must rest on international co-operation. It is working with other nations to reduce demand and disrupt this crime that will truly make the difference. To support those efforts, the Government are investing £36 million to try to reduce demand, strengthen law enforcement and develop sustainable livelihoods. We need to eradicate the market for illegal wildlife products, ensure our laws are strong enough to deter the criminals, rigorously enforce those laws and provide sustainable livelihoods for those who might otherwise be tempted by the short-term gains of poaching.

My right hon. Friend raised the fact that the trade in endangered species is being facilitated online, which can present particular challenges. That is why we are working closely with the private sector across the transport, financial, tourism, cyber and technology sectors to increase the levels of ambition and commitment by businesses to assist us in tackling the illegal wildlife trade. Some significant and hugely encouraging steps have been taken recently. In particular, the Global Coalition to End Wildlife Trafficking Online has brought together the world’s biggest e-commerce, technology and social media companies to join forces in shutting down online marketplaces for wildlife traffickers. NGOs and global companies such as eBay, Google, Microsoft and Facebook are working to unite the industry and maximise impact for reducing wildlife trafficking online. They are committed to reducing wildlife trafficking across online platforms by 80% by 2020. The related global wildlife cyber-crime action plan also includes commitments from its partners to work with companies to ensure that policies and reporting mechanisms for customers and users are easy to access and user friendly.

This has been an important debate, with a different conclusion from the debate we have been having all day on Brexit. It shows there is more to life than Brexit. The plight of our seahorses, which my right hon. Friend has highlighted, is important, and I hope I have been able to reassure him of the seriousness with which the Government take this issue, of the steps we have taken and of the global action we are taking to tackle this particular challenge.

Question put and agreed to.

8.15 pm

House adjourned.

Westminster Hall

Thursday 6 December 2018

[MR PHILIP HOLLOBONE *in the Chair*]

BACKBENCH BUSINESS

Nursing Degree Apprenticeships

SELECT COMMITTEE ON EDUCATION

Select Committee Statement

1.30 pm

Mr Philip Hollobone (in the Chair): We begin with the Select Committee statement. Robert Halfon will speak on the publication of the eighth report of the Education Committee, “Nursing degree apprenticeships: in poor health?” for up to 10 minutes, during which no interventions may be taken. At the conclusion of his statement, I will call hon. Members to put questions on the subject of the statement and call Robert Halfon to respond to those in turn. Hon. Members can expect to be called only once. Questions should be brief.

1.31 pm

Robert Halfon (Harlow) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone.

Apprenticeships are an incredible part of the ladder of educational opportunity. They bridge the gap between education and employment, which too often—at least in England—is a chasm crossed by only the most advantaged and best prepared young people. As that chasm becomes ever more apparent, apprenticeships are becoming less of a niche alternative to A-levels and a traditionally academic degree and more of a mainstream route into work. They use both the classroom and the workplace and provide, I would argue, a more rounded experience, with people better prepared for their chosen careers as a result.

That combination of the practical and theoretical is part of the reason that nursing, an inherently practical profession underpinned by a strong grip of science and theory, should be so perfectly matched to apprenticeships, but that is not yet the case. Nursing apprenticeships are stuck in a maze of bureaucracy, with needless stubbornness and inflexibility getting in the way of making them a success. NHS Employers told us:

“I think the particular frustration for my members is that we see our colleagues in the university sector moving as quickly as they can on the regulatory piece with the NMC; we see support from” the

“unions in widening participation and support from within the profession more broadly; but we...see inflexibility in the apprenticeship levy as a matter of policy, which means that it is a very expensive way of training a nurse. It means that we cannot properly fund the time that we need to release on nursing apprenticeships.”

I was saddened to discover that only 30 people commenced a nursing degree apprenticeship last year. While one could argue that the target of 400 was perhaps not the most ambitious, we on the Education Committee are fans of quality over quantity. Since April 2017, the Nursing and Midwifery Council has approved 19 nursing degree apprenticeships, and it currently approves 61 providers to deliver nursing degrees in England.

I understand that, according to Health Education England, there have been 700 starts on the registered nursing apprenticeship programme to date.

However, even by the Government’s modest target, 30 could not be considered even a qualified success. We were worried that something was going badly wrong here—that the patient was even more ill than it first seemed. That is why we have done this inquiry and taken evidence from a range of organisations in the health sector, including Ministers.

The previous Government, of which I was proud to be a part, set a target of 3 million apprenticeship starts and introduced the apprenticeship levy to incentivise large employers to play their part in what must be a national priority if we are to build an apprenticeship and skills nation. There is no employer in the country larger than the national health service. While not all apprentices in the NHS need be nurses, anyone with even the most casual acquaintance with our healthcare system will know that nurses are the lifeblood of the NHS, accounting for one quarter of the workforce—around 300,000, according to the Nuffield Trust.

We can immediately draw two conclusions: first, set against the whole nursing workforce, 30 starts is tiny. Secondly, for apprenticeships to succeed, not only in the NHS but in the country, it is vital that we have many more nurses entering the profession as apprentices. The lack of nursing degree apprenticeships shows a lack of foresight and strategic direction. As a Committee, we are keen to suggest the status of degree apprenticeships against the suggestion that they should be just another part of the system. I was really disappointed to hear the director of the Institute for Apprenticeships say that he was “agnostic” in respect of degree apprenticeships.

We need to make degree apprenticeships a success, or we will never break the near-monopoly that the three-year undergraduate course has on the aspirations of many 18-year-olds. What became clear in our short inquiry was that a perfect storm of intransigent funding systems was getting in the way of realising the increase in nursing degree apprenticeships that we so badly need.

First, in establishing the apprenticeship levy, the Government quite rightly attached strict rules to what funding could be used for, but those rules do not cater for the unique aspect of trainee nurses, which is that they have been supernumerary. That is to say, they cannot be counted in determining whether a hospital is fully staffed and they cannot work unsupervised. The NMC has now decided that employers can decide whether nursing associates should be supernumerary or learn via protected learning time. Protected learning time provides for a programme of one day a week in university and one day a week in a placement setting, where they are not counted in the staff numbers, as a minimum. The NMC has said this will be reviewed in 2019.

We were told by NHS Employers that the additional cost of backfilling was

“a significant financial burden for NHS organisations wishing to offer the Nursing Degree Apprenticeship, and is proving to be a disincentive for establishing Nursing Degree Apprenticeship programmes.”

Nursing degree apprentices must also undertake off-the-job training for 50% of their hours, which has a knock-on effect for funding. I am sure that none of us here would

[*Robert Halfon*]

say that was a bad idea, but none the less the NMC is holding a consultation on the supernumerary status of trainee nurses. The problem is that the numbers do not add up for the NHS to take on nursing apprentices, as opposed to other routes into the profession.

Secondly, the removal of nursing bursaries and their replacement with loans has presented a challenge, particularly for mature students. I am a strong advocate of people undertaking apprenticeships later on in life—indeed, at all stages of life. We must make it possible for somebody with a family or other substantial financial obligations to become a nurse apprentice if they wish to do so. Thirdly, the funding band for nursing apprenticeships barely covers the costs of delivering the course and is less than universities receive in tuition fees for a comparable qualification. That makes absolutely no sense at all.

Ours was a short report—41 crisp, clear paragraphs. Our principal recommendation was that the Government should permit greater flexibility in the use of the levy for the NHS. I am well aware of the arguments in favour of having a single approach to apprenticeships, partly because consistency is a virtue in itself, but also because when flexibility is permitted in one case, it will be sought in others. I accept that argument, but it is a strategic priority of the Government to have more nurses and to support the NHS, and nursing is an exceptional profession and definitely worth making an exception for. We need the professional bodies, the NHS and the Government to throw their weight behind nursing degree apprenticeships. I hope that the Department for Education and the Department of Health and Social Care will think very carefully before responding to our report.

Section 21 Evictions

1.38 pm

Ms Karen Buck (Westminster North) (Lab): I beg to move,

That this House has considered the use of Section 21 evictions in the private rented sector.

It is a pleasure to open this debate under your chairmanship, Mr Hollobone, and to do so in the presence of the Minister. I know that she is responding to a debate on the private rented sector for the second time in two weeks. I apologise for that, but I think it reflects the extent of concern about some of the issues in this rapidly growing housing sector.

This debate is the culmination of a campaign that has been run on behalf of a number of organisations working with private tenants, including Generation Rent most specifically, the London Renters Union, the New Economics Foundation and ACORN, which run the End Unfair Evictions campaign and have encouraged people to speak up about their experiences. The social media presence on the issue demonstrated some quite extraordinary experiences that tenants have had with homelessness and insecurity as a result of the use of a section 21 notice.

The campaign has also received backing from Children England, Independent Age, Age UK London, Crisis, the Salvation Army, Mind, Z2K and Shelter, which gave us a very good briefing on the issue. More than 50,000 people signed a petition calling on the Government to give renters more stability and certainty in their homes by abolishing section 21, which gave us the opportunity to have the debate. The petition ran for 10 weeks and was handed to the Secretary of State for Housing, Communities and Local Government at the end of August.

What is section 21, and why are we specifically concerned about it? Most private and some social tenants now live in assured shorthold tenancies. In order to bring those tenancies to an end, landlords have two options: section 8, which enables a landlord to regain possession before the end of a tenancy on one or more of several different grounds, or section 21, for which the landlord must give two months' notice of the intention to seek possession. On the expiry of that notice period, the tenancy is not ended, but the landlord can bring accelerated possession proceedings based on the section 21 notice. Unless there is a defence, which can only be that the notice is not valid, the courts must then grant a possession order. If the tenant does not leave, the landlord can seek a warrant of possession and a bailiff's appointment for eviction.

Section 21 notices cannot be served under specified circumstances, such as when a deposit has not been protected, if the landlord does not have a required licence, after the issuing of a council improvement notice or if the landlord has failed to provide a valid energy certificate, gas safety certificate or a "How to Rent" guide.

Alex Sobel (Leeds North West) (Lab/Co-op): My hon. Friend is making an excellent speech. I have many private renters in my constituency and one issue that they bring up with me about section 21 is revenge evictions. Is that also a concern of hers?

Ms Buck: It is very much a concern. I will come on to retaliatory evictions in a minute when I talk about why we are concerned about the use of section 21 and the balancing alternatives.

Abolishing section 21, which my remarks are aimed at, would, in practice, make fixed-term tenancies irrelevant. I know that the Government are also interested in, and have consulted on, longer tenancies, in order to provide greater security in the private rented sector. Although I am sympathetic to that idea, I am increasingly of the view that, rather than adopt an arbitrary target for the length of tenancies, we should change the framework completely and ensure that the default is a longer tenancy, unless and until the landlord has a legitimate need to recover the property or if there is a fault on the part of the tenant. However, as I will remark later, that must be balanced with other changes that meet the legitimate concerns of landlords.

Why do we need to change this framework? A Conservative Government introduced section 21 of the Housing Act 1988 as part of a deregulatory approach to the housing sector, at a time when the private rented sector was in a very different place from now. It had been in long-term decline over a great many decades, and the Government felt that deregulation would be one way to boost it. Indeed, the sector has been utterly transformed from the landscape we saw 30 years ago, doubling to 4.7 million households. That is by no means solely the result of deregulation; the obvious decline in the social housing sector and the crisis in the affordability of home ownership are also important factors.

The sector also now has a very different profile, compared with a few decades ago. For many of us, renting was a transitional housing tenure. When starting out in life, many of us rented privately—I certainly did for several years—but often on the way to home ownership. Very few of us, particularly those who were bringing up families, expected or wanted to be in the private rented sector for life. However, we are now seeing a change in that profile, with four in 10 private renters now families with children. The recent Rugg review demonstrated that the private rented sector is also home to a growing proportion of highly vulnerable tenants who have been discharged into the private rented sector who would previously have been accommodated through the homelessness route. We are also seeing, inevitably, an increase in the number of older tenants who expect to live out their retirement in the private rented sector, which was extremely unusual at the time of the 1988 Act.

If the sector has changed beyond recognition, policy towards it must also change, to address some of the unforeseen consequences of those developments and to make sure that the sector works well and fairly for both tenants and landlords. A healthy rental sector is important for the housing mix, and it is important to acknowledge its flexibility, often as a starter accommodation. It is also absolutely essential to recognise that most landlords are good and responsible and provide a decent quality of accommodation.

Andy Slaughter (Hammersmith) (Lab): My hon. Friend is right that most landlords are responsible, but that is not really the point. The point is that the 1988 Act, and section 21 in particular, allowed housing to become a commodity. Landlords can simply treat it as an asset to

be traded and sold to increase their profits or income. Housing has no structure as a home under that Act. That is the basic flaw.

Ms Buck: That is absolutely right. It is important to address the points from landlords. Having seen some of the concerns expressed by landlords in the social media commentary in the build-up to the debate, and having spoken at the Residential Landlords Association conference and at other conferences, one hears from landlords that they feel unfairly treated and tarred with the same brush as the rogue minority, which I think is probably fair. Unfortunately, the rogue minority bring down the sector as a whole. However, addressing section 21 is not about the behaviour of the small minority; it is about recognising that there is now a structural imbalance in tenancies that unexpectedly provide long-term homes for a much wider spectrum of society than was previously the case.

Wera Hobhouse (Bath) (LD): Is it not true that we want to make sure that good landlords remain good landlords? This change is not against them. If they do the right thing, they should not be afraid of what we propose.

Ms Buck: It is absolutely true that good landlords should have no reason to fear a change in policy that reflects the differences in the demography of the sector, but I know that some do. It is also fair to say that the minority of landlords, whether we are talking about housing conditions—I acknowledge the Minister's consensual approach to the Homes (Fitness for Human Habitation) Bill—or security of tenure, bring down the reputation of the sector as a whole, which needs to be addressed.

Some of the better landlords may not have among their number the person who posted on social media before the debate:

“We need to fight to protect section 21...2 months is plenty to find a new rental...although if a tenant has annoyed me I wait to pull the trigger in mid-November to screw up their Christmas”.

That is not the behaviour of the overwhelming majority of landlords, but it is certainly not helpful to their wider reputation.

Liz Twist (Blaydon) (Lab): I thank my hon. Friend for her excellent speech. Does she agree that section 21 evictions can upset the stability of family life? My constituent was forced to move to a different area because her tenancy came to an end, upsetting her caring and family arrangements.

Ms Buck: That point is absolutely central to the argument, and I will come to it in a minute.

On the point about the behaviour of a minority of landlords not doing a great deal for the cause of the majority, there was also on social media the letting agent who said in respect of the payment of a tenant's renewal fees:

“As far as I can see if the tenant doesn't pay the renewal fee, DON'T renew the tenancy. Simples... You could always serve S21 and replace them.”

That cavalier attitude to security of tenure is completely unacceptable, but we have a legislative framework that allows a number of landlords to behave in that way. I

[Ms Buck]

say to people who are doing that, “Guys, you are really not helping your own cause or the cause of the business sector for private rented tenure, and I would advise you to think very carefully about the way you express yourselves.”

What has happened to the use of section 21 over time, and why do we need to consider our longer term approach? It is extremely hard to obtain accurate information from landlords about their use of section 21 notices, and the large majority of tenants who leave assured shorthold tenancies do so after the service of a notice without court proceedings. I think that in the private rented sector debate last week the hon. Member for Harrow East (Bob Blackman) said—I believe this to be true, and have seen anecdotal evidence that it is true—that there are landlords who issue section 21s routinely at the end of a six-month period in order to be prepared for exercising those rights at the end of 12 months. That builds in to tenants’ experience instability of exactly the kind that hon. Members have mentioned today.

The actual number of section 21 notices served is unknowable. However, we know that in 2017 there were 21,439 possession claims under both section 8 and section 21 and 6,260 actual possessions, and a further 29,601 claims and 12,953 possessions under the accelerated procedure. That is a lot of uses of section 21.

We also know from Government homelessness statistics that the ending of a private tenancy on a no-fault basis has become the single largest cause of homelessness, currently representing more than half of all homelessness applications. That is critical. An analysis by Generation Rent claims that 92% of the rise in homelessness cases caused by the end of a private tenancy in London, which of course has the largest share, regionally, of national homelessness cases, can be explained by no-fault evictions. The figure is only slightly lower—88%—outside the capital.

Andy Slaughter: The major trauma, of course, is for the tenants being evicted, but there is also an impact on local authorities, because if a landlord is using the section 21 process—often the notices are served at the beginning of the tenancy as protective notices—they are simply using it as a way of regulating their business, knowing that if the tenant is in priority need, they will be picked up in some way by the local authority, which obviously puts additional costs on the taxpayer.

Ms Buck: Of course it does. As we have been discussing in the context of the Homelessness Reduction Act 2017, local authorities, because of the sheer pressure of homelessness applications, are also expecting tenants to wait until the court order has been issued and to wait until the bailiffs have been instructed and a date for the bailiffs to arrive has been received before they will consider the homelessness application. Landlords hate that, and one can understand exactly why—because of the insecurity about what happens to their rental payments. But the tenants absolutely loathe it and find it wholly traumatic to have to wait, often with their children, for the bailiffs to turn up before they can be rehoused by the local authority.

Research by the Joseph Rowntree Foundation last year found that the number of private tenants being evicted had risen by one fifth, that the overwhelming

majority of the increase in possessions was driven by section 21, and that that was highly concentrated, with four out of five such repossessionings being in London and the south-east, where rents are highest. It is precisely that concentration of section 21 use in certain areas correlating with the areas where market rents have risen most rapidly that I think is a real cause for concern.

The London boroughs identified by the Joseph Rowntree Foundation were all in the top 10 for the largest and fastest market rent increases from an initially low level. Although correlation must be treated cautiously, it is hard not to conclude that there is causation between increases in market rent levels and the use of section 21, whether that involves evicting tenants in rent arrears because of high rent levels, or evicting tenants in order to raise rents.

If anything, the flattening off of possession claims over the period 2015 to 2017—that has flattened from a period when it rose very steeply—has happened at a time when the private rental market has been under pressure from several other directions. It tends to reinforce the point that section 21 use reflects wider trends in relation to rents and that, crucially, we cannot stop worrying about it because there has been something of a flattening off in the last couple of years. If anything, now is the moment when we need to review the law, because if rents start picking up again, as over the longer term they almost certainly will, we will find that there will be a further acceleration in its use.

The Residential Landlords Association makes the case that its research shows that in half of all places where section 21 notices are served, that is because there is an alleged fault, such as rent arrears, but that argument is somewhat undermined by the local authority homelessness experience, because local authority acceptances of people who have been evicted from the private rented sector will happen only after there has been an inquiry into the cause of homelessness and it has been found that the homelessness is not a result of fault on the part of the tenant.

Homelessness is therefore a major factor in our wanting to reconsider the use of section 21, but it is of course only the sharp end of a much wider experience of insecurity. Unchosen ends of tenancies are disruptive, expensive and often traumatic for those involved. Having to make frequent moves, especially for families with children and for vulnerable and older tenants, is a deeply negative experience, even when it has not been imposed by a court order.

Shelter estimates that 27% of renters with children have moved three or more times in the past five years. That takes a toll on physical and mental wellbeing and on educational achievement. It also undermines communities and civic engagement. A very powerful case was made a few years ago by the Electoral Commission on the impact of high turnover and churn in the private rented sector. I know from my own casework, as I am sure all hon. Members do, just how distressing parents—it is not only parents, but it is parents in particular—find it to have to move around, changing schools and disrupting support networks. I could have chosen dozens of cases from my own case load to illustrate that point, but I have chosen the details of just one to read out—it is only a few paragraphs—with your permission, Mr Hollobone.

My constituent says:

“I have lived in this area for over 30 years. Due to overcrowding in our family home I was asked to leave in 2010, at which point I made a housing application to”

the local authority. They continue:

“The Council accepted a...duty and provided us with temporary accommodation in East London. We stayed in Dagenham for a short while before being lured back to Westminster by the Private Sector Team, reassuring us that this was a better option...When we signed a private tenancy we were promptly notified that the council has discharged its duty towards us because we have accepted private rent. We only rented for a year before the Housing Benefit was reduced under the new welfare reforms. As we could no longer afford the rent, we were obliged to find alternative accommodation”.

Despite their need for three-bedroom accommodation, they moved into two-bedroom accommodation. The council said that it

“could not and would not help us. I have a local connection as I have my family here. I look after my elderly father”,

who has cancer.

“I have 3 dependent children...attending local schools. I sit on the board of governors and play an active role in the...running of the school. I am...a member of the Parent Council.”

My constituent says that they are

“employed...and have served 18 years”

in their job in the local area. They say they have been served another

“Section 21 Notice by the landlords Agents requiring possession of the flat on 02nd October.”

That will be the family’s fifth move in eight years. It is a simple example. It involves no fault, no arrears, no bad behaviour on the part of the tenants, but an imposed move of a vulnerable local family, and it is only too typical.

Renting privately is overall less secure than other tenures. Some 860,000 tenants moved between private rentals in 2016, up from 465,000 20 years ago, and one in 10 movers said that their move was down to being given notice by their landlord.

My hon. Friend the Member for Leeds North West (Alex Sobel) talked about retaliatory eviction. A significant minority of tenants fear retaliatory eviction if they make a complaint and so may be deterred from pursuing their rights for fear of the consequences. That unfortunately undermines efforts to improve standards in the private rented sector, despite its having, of all tenures, the highest level of substandard accommodation.

Alex Chalk (Cheltenham) (Con): The hon. Lady is making a powerful speech, and the examples she is giving emphasise why it is important to re-examine the balance in this area; she has made that argument powerfully. Has she made any assessment of what the potential impact could be on the pipeline of available housing? I am always mindful in this place of the law of unintended consequences. I would be interested to hear her thoughts on that.

Ms Buck: It is a fair point. As always, a balance has to be struck. The private rented sector is important, and as much as we would like to build more social housing to accommodate some of the people in it, that would take longer than we can afford to take to accommodate the people in the pipeline. That has to be considered. It is fundamentally unknowable, because it cannot be

taken out of the context of so many other aspects of housing need and supply, including the Government’s 2015 tax changes, which landlords are extremely concerned about, and the overall number of tenants seeking accommodation.

The fact is that if we get the balance right and remove no-fault from the equation, and if we concentrate on providing a means for landlords who legitimately need to recover their property for whatever reason and deal with some of their concerns about the operation of that system, there is no reason on earth people should regard that as unacceptable.

Melanie Onn (Great Grimsby) (Lab): I know that it is unusual to make an intervention from the Front Bench, but the situation that the hon. Member for Cheltenham (Alex Chalk) describes is simply one of displacement, which would not solve the long waiting lists that people are experiencing for social housing and affordable housing, and would not give anybody security of tenure. The issue he describes is not the equivalent of bed-blocking.

Ms Buck: That is absolutely right.

Andy Slaughter: To add to that interesting argument, section 21 has been abolished in Scotland, which is a different jurisdiction and a different housing market, and has been replaced by a regime in which there are mandatory and discretionary grounds for possession. As I understand it, the objections from many landlords are about the complexity and the expense of the court process as much as anything. It is quite a difficult argument to put forward—although I am sure that the hon. Member for Cheltenham (Alex Chalk) would do it well—that it is simply too difficult for landlords and it should be unrestricted for that reason.

Ms Buck: I am grateful to my hon. Friend for that point. Certainly the landlord associations and landlords make the argument that the court process takes too long and is too complicated and, in many cases, too expensive for them to operate. I am unconvinced by that argument, because the figures that the landlord associations have put forward for the period of waiting for a court date or until a warrant can be issued are significantly different from the figures that the Library has provided for the debate. I am not sure that the associations are not using a different definition of average to make their case.

Obviously, once a landlord has decided that they want to recover a property, they will want to do so as quickly as possibly—that is inevitable—but whether the period that landlords have to wait and the quality of evidence that they have to provide if they are seeking a fault-based eviction should be lowered to make it easier for them, to the point where it effectively allows them to act without due regard for the rights of tenants, is a highly moot point.

Alex Chalk: I am entirely persuaded that landlords who issue a notice in a cynical, cruel and egregious way—in an almost deliberately upsetting way—should not be in a position to do so. The difficulty is in what an appropriate pretext or legitimate reason to seek to end a tenancy is. Can the hon. Lady say more about how she would crystallise and identify what amounts to a good cause?

Ms Buck: As my hon. Friend the Member for Hammersmith (Andy Slaughter) said, there is the experience of Scotland. It is early days, because the Scottish changes took effect only last year, but they give us some guidance as to how it might be possible to move forward. It will be good to see how it works when we start to get some figures.

Clearly, where landlords have a legitimate wish to recover the property, because they wish to live in it or make use of it—if it is a landlord's home and they wish to return to it—that would clearly be a ground. There has to be some guard against that being open to abuse, however, which seems to be the case from some anecdotal evidence in the Scottish experience.

There are also fault-based grounds, such as where a tenant commits antisocial behaviour or is in rent arrears. There are grounds—that work has already been done—and it is completely reasonable that they should be allowed to exist and that, when a landlord takes a claim forward, it should be reasonably expeditious for them to pursue it.

The Government are consulting on the housing court, which I have mixed views about. It is important that tenants should have their interests represented and be legally aided in doing so, but there are questions about how that might operate, so the debate is certainly worth having.

It is absolutely right that a balance has to be struck. The work is well under way to provide an alternative, and that has to be done in consultation with the landlords associations, which have made a thoughtful and responsible contribution. However, we should be concerned about the homelessness experience; the scale of the use of section 21; the insecurity that tenants are experiencing, which has a disproportionate impact on families with children and on vulnerable tenants, as was well explored by the Rugg review; and the dangerous wider perception in the public's mind that the private rented sector is not somewhere they can expect to enjoy long-term security, but somewhere they are utterly disempowered in cases where that is a reality.

The picture varies in different parts of the country. It is particularly acute in places such as London, where rents have been highest, so I am also extremely pleased that the Mayor of London has undertaken some work on section 21, security and affordability, and that he will make a research-based contribution to the debate.

I urge the Government not to throw this baby out with the bath water. The Government are rightly interested in greater security of tenure, but the framework of section 21 has existed for 30 years and the landscape has been utterly transformed in that time, so we need a fundamental review of the way the system works to make sure that it acts in the interests of tenants as well as landlords. The time is ripe for a more radical approach to resolving the issue and to making sure that tenants get a fair deal.

2.7 pm

Grahame Morris (Easington) (Lab): I congratulate my hon. Friend the Member for Westminster North (Ms Buck) on securing this important and timely debate. It is an honour to serve under your chairmanship, Mr Hollobone. I apologise for arriving a little late.

As hon. Members on both sides of the House should recognise, my hon. Friend has done some steadfast work to advocate the rights of tenants. She has my

unwavering support in her campaign for all homes to be fit for human habitation. The Government's failure to support the Homes (Fitness for Human Habitation) Bill in 2015, or to back a similar amendment to the Housing and Planning Act 2016 a year later—I served on the Bill Committee as an Opposition Whip—shows the scale of the challenge we face on this side of the House.

We have a flawed system that completely lacks balance, as my hon. Friend said. The housing security enjoyed by the post-war generation has been systematically eroded through the right to buy, the failure to build truly affordable low-rent social housing, and the boom in the buy-to-let sector. Those factors have moved many tenants from housing security to housing insecurity in the private sector. The right to buy, coupled with the failure to build, has created generation rent, as my hon. Friend said, and our children are paying the price. They are financially excluded, and for many home ownership is a distant dream. Their reality is insecurity and relatively high-cost private rents with few enforceable rights.

We must address the issue of tenants' rights. The private rented sector has substantially increased, even in my time in the House. The private rented sector comprised just 9% of households in 1988. It has more than doubled since then and today accommodates one in five households.

Clearly, section 21 of the Housing Act 1988 and “no fault” evictions create—in fact, add to—a one-sided power imbalance, with landlords having practical rights while tenants have what are, in effect, unenforceable paper rights. This power imbalance encourages poor management practice, with tenants worried about challenging rent rises and often afraid to ask for essential repairs because they fear eviction.

I am grateful to my hon. Friend for circulating a briefing in advance of this debate, which notes that there were 12,711 evictions by bailiffs under section 21, which was recorded by the Ministry of Justice under the “accelerated” procedure. However, that figure is a baseline; it is really the tip of the iceberg, with the vast majority of tenants actually moving out without going through the daunting court process.

I will now mention some of the issues in my constituency; they are different from those in the inner-city areas of London, but they are very real, and in some respects probably more acute. I have seen constituents move from one bad landlord to another and from one dilapidated house to another. It is a never-ending cycle of debt and disruption, which traps families in poverty. And no matter how hard they try to escape, it seems that they are caught in a vicious circle.

I hope that the Minister is aware of Horden in my constituency. I have raised the problems of the private rented sector there on a number of occasions. Indeed, I invited the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for Rossendale and Darwen (Jake Berry), who is the Minister with responsibility for the northern powerhouse, to visit Horden. He promised that he would do so, but has not so far. In addition, I have written to the Minister for Housing, the hon. Member for North West Hampshire (Kit Malthouse), inviting him to visit and discuss some of the particular problems that we have and how they might be addressed.

Without going into too much detail, I will just mention that some of the problems arise from the withdrawal of Accent Housing and the subsequent fire sale auction of houses in Horden, which led to an influx of absentee landlords with little interest in their tenants. We talked a little earlier about the tale of landlords who are not acting in a socially responsible manner, and that is certainly evident in some of the former mining communities that I represent in east Durham. Many people now find themselves living among derelict houses. Dilapidated housing, smashed windows, arson and fly-tipping are the epitaph of a failed private rented sector market in Horden, in my constituency.

Frankly, the situation in Horden is nothing short of a national housing scandal and I hope that the Government will engage with this issue, because we cannot sit by passively and see the situation continue. I hope that the Minister and her colleagues will prove me wrong.

My own local authority, Durham County Council, is nearing the publication of a Horden master-plan to address some of the issues with the private rented sector. It will set out a range of options and I hope that if we can work with the council, it will help to deliver some housing regeneration. However, there is still a need for Ministers to engage and support the proposal with appropriate funding, because we have an influx of absentee landlords, housing conditions are poor and tenants are being exploited. I am glad that my local authority is now seeking to challenge that situation.

I am told that it is not a formality to get an authority-wide landlord licensing scheme. I had thought it was a formality, but I understand that the Government have some reservations about such schemes.

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler) *indicated dissent.*

Grahame Morris: The Minister is shaking her head. However, where we have had a landlord licensing scheme in a small defined area, that has proven to be effective. However, that has simply pushed the problem into another area.

The consensus is around a scheme that I believe has worked very effectively both in Liverpool and in Newham in London. I am grateful to my hon. Friend the Member for Liverpool, Walton (Dan Carden), who has hosted visits from local elected representatives.

Lyn Brown (West Ham) (Lab): We had very fruitful discussions with a Minister about the need for a private sector blanket ban in Newham. The only bit that the ban does not cover currently is the new build in the Olympic village. That has meant that there has not been anywhere else in Newham for people effectively to fly to, in order to escape even worse conditions. We had a very effective conversation with the Government. I urge my hon. Friend to keep pushing at this issue, because that ban has made a real difference to tenants in my constituency.

Grahame Morris: I am grateful for that intervention; it is really helpful. I think that such a policy will make a difference and we will keep pushing for it. It is not our intention to introduce a blanket ban on private landlords; we simply want to have a scheme whereby the absentee private landlords will behave in a reasonable fashion, including towards their tenants.

In conclusion, I support the abolition of section 21. Abolition would strengthen tenants' rights. However, until we address the wider housing crisis, for example by building a new generation of social housing properties in the numbers that we did in the 1960s and 1970s, the national housing crisis will worsen. I saw some figures recently that showed that up to 40% of the council houses that were originally built are now in the hands of private landlords and on average the rents are double what they were when they were in the social sector.

Our children will be burdened with high rents or unmanageable mortgage debt, and they will live in insecurity, worried about reporting repairs or poor housing conditions for fear of eviction. Our communities will also be burdened—particularly those in villages such as Horden in my constituency—as properties are mismanaged by absentee private landlords, whose interests seem to lie in making quick profits rather than in engaging with others to make a sustainable community. So I hope that the Minister will listen to the concerns of my constituents and those of Members from all parties in the House, and that she will take the time to examine this issue and consider how she could help to transform and regenerate not only housing but the life opportunities of many people, including those in the communities of Horden and east Durham, who I represent.

2.16 pm

Wera Hobhouse (Bath) (LD): It is a pleasure to serve under your chairship, Mr Hollobone.

I congratulate the hon. Member for Westminster North (Ms Buck) on securing this very important debate. I still consider myself to be a new MP, but the number of people who have contacted me in my constituency of Bath about this issue has been shocking. It is really difficult to hear these heartbreaking stories and not feel that we need to do something about this issue very urgently.

The housing crisis and severe shortages of social housing mean that more and more vulnerable people are reliant on the private rented sector. There are now 4.3 million households in privately rented homes. According to the English housing survey, more than half of renters are aged over 35 and the private rented sector is home to one in four families with children, with 20% of the families in private rented homes having a baby or an infant under the age of five.

The hon. Lady has already related to us the severe impact that these insecure tenancies have on family life. I am a member of the all-party parliamentary group on the prevention of adverse childhood experiences, and that type of situation is exactly one of these adverse childhood experiences, which invariably lead to children struggling at school, and from there on finding it difficult to get qualifications. Such situations early in life lead almost directly to later adversities, so we need to do something urgently for families in these very insecure housing situations.

As a result of the lack of social homes, more and more people have no other choice but to rely upon privately rented accommodation. Section 21 evictions lock these individuals into situations where the landlord has total control, creating a culture of uncertainty whereby tenants are afraid to exercise their rights.

[Wera Hobhouse]

Section 21 evictions are known as “no fault” evictions and they are highly damaging, because they mean that a landlord can evict a tenant at two months’ notice without offering an explanation and without the tenant having breached the terms of their contract. That forces the evicted tenant into unwanted and undeserved financial strain. On average, an unwanted house move costs around £2,306. Understandably, many families find this cost impossible to pay, so they end up in debt and struggle to afford alternative accommodation. We have heard that the biggest reason for homelessness is now the end of a private sector tenancy. That is a serious problem in my constituency, where the prices of rented accommodation have shot up in recent years. I would like to share the story of one of my constituents, who wrote to me about her eviction; I hope it illustrates the very real consequences of the uncertainty in the private rented sector.

My constituent lived alone with her daughter in a property they had rented for four years. Despite making promises when they moved in, the landlord never made repairs, and rubbish that was left by a previous tenant was never removed from the property. My constituent, who suffered from both anxiety and depression, was incredibly distressed about the landlord’s refusal to pay for or complete repair work. She repeatedly tried to get the landlord to listen, with no progress. Eventually, worn down by the stonewalling, she withheld rent for a very short time. Within a matter of days she was issued with an eviction notice, requiring her and her daughter to leave the property within eight weeks. She had not breached her tenancy agreement. She described her situation this way:

“I have nowhere else to go, I haven’t breached my tenancy agreement and therefore feel it appalling that I have been requested to leave within 8 weeks. My daughter and I are going to be homeless in the winter. I have registered my application for general needs accommodation but as the housing crisis is so very real I worry I could be on the list for years before I am offered a property. I cannot afford to rent anywhere else privately in Bath. My daughter goes to school in Bath and I don’t own a car therefore it is completely impractical for me to look to rent elsewhere. I am at my wits end. I don’t know what else I am supposed to do.”

These are real stories. These are the people who talk to us directly, and we Members need to listen.

Section 21 evictions permanently tilt the balance of power towards landlords and cement a culture of fear, in which tenants are afraid to stand up for themselves. Given the threat of losing a cherished family home, unwanted financial pressure and the risk of homelessness, that cannot be surprising. Section 21 evictions and short-term tenancies have a direct impact on the ever-expanding problem of homelessness across this country. We must review the policies that govern the private rented sector, to ensure that tenants have freedom and security. Of course, at the bottom of this problem lies the severe shortage of social housing, and we Liberal Democrats committed at our autumn conference to build 100,000 new homes for social rent every year in order to address the housing crisis, which is so very severe. Ultimately, only the social rented sector will secure the long-term and affordable tenancies that we need. However, in the meantime we must reform the private rented sector, making it fit for purpose.

In the rapidly changing context of our housing crisis, there has been an ongoing failure to protect tenants’ interests, which cannot be allowed to continue. The charity Shelter has asked for all leases in the private sector to be no shorter than three years, as proposed in a recent Government consultation, and I hope the Government are seriously looking at that proposal. The growing housing shortage, especially of affordable housing, has made it imperative that we in this place look at how we can reform the private rented sector to avoid throwing hundreds of thousands of people into destitution and homelessness.

2.23 pm

Alex Chalk (Cheltenham) (Con): It is a pleasure to say a few words with you in the Chair, Mr Hollobone. I thank the hon. Member for Westminster North (Ms Buck) for her excellent speech. I had not intended to speak in this debate, but I wanted to say that I find it very powerful, and I personally am persuaded that this is something we need to look at again. I should declare an interest: my brother, my sister and I are joint landlords of a cottage just outside my constituency. I wanted to give a few words of perspective.

First, it is worth emphasising that a house is not like any other commodity: it is not like anything else that one might consume. It is a matter of supreme, central importance to the security of individuals, their sense of wellbeing and their mental health. In those circumstances, it is critically important that we have a framework in place that ensures that on the one hand, there is a sufficient pipeline of that essential resource, and on the other, the pipeline is regulated in a way that is fair to all parties, particularly those who dwell in those houses.

It would be unfair to suggest that we have not come an awfully long way, and this Government can take some credit for the extent to which they have properly rebalanced the tenant-landlord relationship. I am thinking, of course, about the Homes (Fitness for Human Habitation) Bill: it is axiomatic that homes should be fit for human habitation, and I am glad that that Bill will be in statute. I am also glad that there is a more rigorous system of penalties for rogue landlords who act in a capricious and vicious way, or do not take proper account of the wellbeing of their tenants. I am thinking, of course, about legislation regarding carbon monoxide detectors and so on. The penalties are now far more severe—financial penalties and potentially even criminal penalties. That is as it should be.

I feel it would be appropriate to look again at the issue of no-fault evictions. Although it is right to say that in the overwhelming majority of cases, landlords behave appropriately and with a proper sense of their responsibility to their fellow citizens, it does cause me some unease that there remains scope in the legislation for landlords to act in a capricious way. The hon. Member for Westminster North has identified some chilling examples, and the quote that she read, while wholly unrepresentative of the broad mass of landlords, revealed that a landlord could seek to leave someone homeless over the Christmas period for vindictive reasons. That would be an act of appalling cruelty.

However, I wanted to make some other points, very gently. As the hon. Lady was right to mention and acknowledge, this is a balance, and it is important that

as part of any examination of this matter, the Government should consider what the implications are for the pipeline of homes. I say that because there is a potential risk—probably a tolerable risk, but none the less a risk—that further measures could seek to interfere with that pipeline. For the reasons that the hon. Lady indicated, I suspect that risk is tolerable, and if the conditions were crafted appropriately to ensure that there was a genuinely good reason to issue a notice, that risk ought not to eventuate. It would be important to allow landlords to issue a notice if, for example, their financial circumstances had changed or they were selling up to move abroad.

Any measures would have to be drawn up with appropriate flexibility. However, as long as that could take place, as long as any examination proceeded with care, and as long as projections could satisfy us that those measures would not lead to an intolerable diminution in the pipeline of available homes, the hon. Lady has a point—a point that the Government would in conscience do well to consider. We should keep this matter under constant review, and I pay tribute to the hon. Lady for drawing this important issue to the attention of the House.

Wera Hobhouse: On a point of order, Mr Hollobone. I failed to draw attention to my entry in the Register of Members' Interests, and I do so now. I apologise that I failed to do so.

Lyn Brown: This might be the time to do mine, too. Thank you, Mr Hollobone.

2.28 pm

Andy Slaughter (Hammersmith) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone, more than ever when we have the luxury of time—such a rare event in this place.

Lyn Brown: If I had known, I would have brought my casework.

Andy Slaughter: Settle down, everyone. I do not need to speak for very long, because my hon. Friend the Member for Westminster North (Ms Buck) has done the heavy lifting for us by clearly setting out why section 21 should be banished. She has even persuaded Members from the Government Benches; let us hope that she has persuaded the Minister. I am sure that we will listen carefully to what the Minister has to say on this issue, having heard those arguments.

I also thank my hon. Friend the Member for Easington (Grahame Morris) for his speech, because the property market in his constituency is very different from that which we experience in London. Quite rightly, a lot of attention is focused on London because it is a hothouse of a market. Exploitation of tenants for financial reasons has certainly been very much on the increase with house price rises, but he correctly points out that that is a problem across the country. In some ways, we are lucky in London, in that properties tend to be valued and perhaps kept in a better state of repair. What one does not tend to see now, because the properties are such valuable commodities, is whole areas that have fallen into disuse.

On 15 January next year—just over a month's time—it will be 30 years since the Housing Act 1988 came into effect. Assured shorthold tenancies are now, as was

anticipated under the Act, the major form of tenancy in the private sector. That is not something we need to celebrate. I became a councillor in 1986 before the Act came into effect, and that was probably when I first started to get involved in tenancy matters and tenants' rights, but it was probably not until I became a housing law practitioner from 1993 onwards that I fully understood just how dramatic a change had been wrought on the private rented market. It was quite an audacious piece of legislation. That was appreciated by practitioners and experts—there was quite a lot of fuss about the 1988 Act at the time—but it probably did not register so much with politicians or tenants, although it possibly did with landlords, just what a change we had made.

Perhaps the best way I can illustrate that change is from what I found by googling “protected tenancies”. Most tenancies before the 1988 Act would have been some form of regulated tenancy. That was the case for decades before, but many would have been protected tenancies under the Rent Act 1977. The first thing that came up when I googled “protected tenancies” was the Landlord Law Blog. I read from it not to be sarcastic—perish the thought—but because it gives insight into how landlords view assured shorthold tenancies. The post is titled, “Three ways to recognise a protected tenancy under the Rent Act 1977 (And avoid buying a property with a tenant you can't evict)”. It states:

“If you work in property, particularly if you are an investor, it is important that you are able to recognise a protected tenancy when you see one.

Why? Because protected tenants have long term security of tenure.

This means that you will not normally be able to evict them if you want vacant possession. Not unless you are able to provide another property for them to live in. And even then, only if it is considered ‘suitable’...The main effects of this are...The tenant can register a ‘fair rent’ which is then the only rent the landlord is allowed to charge...The tenant can normally only be evicted if he is in arrears of rent (sometimes) or if the landlord is able to provide ‘suitable alternative accommodation’, and”—

shock horror!—

“If the tenant has a spouse or family member living with them at the time of their death, they will inherit either another protected tenancy (if they are a spouse) or an assured tenancy (which also has long term security of tenure!)

The effect of all this is that you are stuck with a tenant who you cannot evict and who is usually entitled to pay a rent which is considerably lower than the market rent you could have charged had the property been an AST.

So how can you recognise when a property is being sold with a protected tenant?

Here are three tips for recognising protected tenancies.

1. The property is being sold for a low price...2. No tenancy agreement is available...3. Check the Valuation Office rent register”

to see whether a fair rent has been registered.

What could be worse than for a landlord to end up with a tenant who has protected rights? That was the norm, however, prior to the 1988 Act. Most tenants would have rights of that kind: rights of succession, rights to a fair rent and rights to be shown cause before eviction took place. In many ways, a private sector tenancy had more in common with a social tenancy than with an assured shorthold tenancy now. The irony is that the rights of social tenants have been substantially weakened under Conservative Governments, both in

[*Andy Slaughter*]

terms of so-called affordable rents, which generally are not affordable, and in terms of the end of lifetime tenancies or fixed-term tenancies. Actually, social tenancies have gravitated towards that lack of security and affordability at the same time as they have declined as part of the housing sector.

I make those observations not to suggest that we simply repeal the 1988 Act and go back to the pre-Act regime, but to point out that it is within living memory—it is within my memory of my time as an elected representative—that that was the norm. Indeed, I am sure that other Members will still have protected tenants coming to them. It is very few now, obviously, because we are 30 years on, but it is usually about landlords trying to get rid of them to maximise the value of the property for sale or rent. The majority of our casework will be for social tenants or private sector tenants who are living in poor conditions or are subject to eviction because they have no security, but it is always interesting to look at the cases of protected tenants.

It puzzles me why we did not notice the fundamental change that the 1988 Act made to the way the housing market operated. One reason, which my hon. Friend the Member for Westminster North alluded to, is that the private rented market was very different 30 years ago. I suspect that the Government knew what they were doing in legislating to shift the balance of power wholly in favour of landlords. The balance had always been that way to some extent, but then it became massively so. One reason that was not noticed was that the private sector had got itself a bad name, partly for the conditions, but partly because it was no longer seen as desirable as compared with owner-occupation or a social tenancy with a council or a housing association. In 1988, 9% of homes were in the private rented sector in England. That has more than doubled to 20%. That is mainly accounted for by a decline in social tenancies across England. If one looks at London specifically, it is even more dramatic. The best figures I have are census figures. In 1991, 14% of homes were privately rented, and that is now 30%. Again, it has more than doubled. Interestingly, there has been a decline in owner-occupation from 57% to 48% and in social rent from 29% to 22% over that period.

For my borough of Hammersmith, the situation is different again. Again, the most recent figures I can get are census figures from 2011, but I am not sure things have changed much since then. A third of properties are private rented, a third are owner-occupied and a third are social tenancies. There has been a significant decline in owner-occupation and a significant increase in private rented from 23% to 32% over that 20-year period. That is a massive change in how the housing market operates. I suspect therefore that the sort of people who become private tenants now are different, too. I am not saying that having no security of tenure is good for anyone, but when, predominantly, those in private tenancies were those who would have chosen short-term rents—perhaps students or people waiting to buy properties—it was clearly less traumatic to be asked by a landlord to leave in a set period than it is for a family who want to stay and live in that area. Increasingly, it is families who are occupying private rented accommodation.

What has also changed is where someone then goes. One of the worst things that the coalition Government did—I apologise to my Lib Dem friend over there, the hon. Member for Bath (Wera Hobhouse), but we have to remember the Liberal Democrats' complicity in all these matters at all times—was to introduce a duty to permanently discharge into the private sector those in housing need. That means that many families now have no expectation of ever getting a social tenancy. They are therefore at the mercy of a private landlord who may evict them. If they are still in priority need, they will go back to the local authority and ask to be rehoused. Due to benefit cuts and caps, that may be impossible in that area, and they may be moved a long way away. In any case, the process of recycling tenancies and moving on will occur on a regular basis.

Lyn Brown: Does my hon. Friend find in his constituency, as I do in mine, that by the time families get their social tenancy or council property they have often waited so long that the children are about to leave home?

Andy Slaughter: My hon. Friend is right. It is almost tormenting people, and these are the people in a preferential situation—in temporary accommodation rather than permanently discharged to the private rented sector. They may have been waiting 10 years, and just as they are getting ready to receive their one offer of accommodation—

Lyn Brown: Take it or leave it.

Andy Slaughter: Yes, take it or leave it. At that point, one of the children turns 18 and is not in full-time education. Suddenly the family is either told, “You can have a two-bedroom flat rather than the three of four-bedroom property that you need,” or, “Sorry—you’re not in priority need at all any more.” It is extraordinary that whole generations have had to grow up in wholly inadequate housing and temporary accommodation.

My hon. Friend has tempted me to digress, so I will give just one example. Many boroughs and housing associations use the locator scheme, which is the bidding scheme. Sometimes it works, and sometimes it does not, but something extraordinary happened in my borough. When the Conservatives took control of the council—I am pleased to say only temporarily—they simply abolished the waiting list. Having decided that they did not want to build any more affordable homes—indeed, they started selling off and demolishing the ones that we had—there was obviously a difficulty in rehousing people, so the waiting list and the locator scheme were abolished.

Suddenly, 10,000 people were no longer in line to be accommodated at all. Once the borough came to its senses and returned to Labour control, the list was opened again, but what happened created a hiatus of several years in people’s lives that they will never recover. In addition to the long waiting periods that people face in any event, they were not on a waiting list of any kind during perhaps the prime years when their children were growing up and going to secondary school. Again, many of them are languishing in overcrowded accommodation or unsuitable private rented accommodation.

I do not want to paint a rosy picture of the world in the 1980s. I remember some dreadful, terrible private-sector accommodation then, but at least there was sometimes redress. When local authorities were better resourced,

there were housing action areas, so we could go mob-handed, if I can put it that way, into a particular ward with environmental health officers and housing advisers. Also, legal aid was still available—actually, they were quite good days now I come to think about it.

If private landlords took the mickey in terms of the conditions their tenants were in or the way in which they treated their tenants, enforcement action could be taken. How different the situation is now, as evidenced by the fact that the Bill introduced by my hon. Friend the Member for Westminster North—the Homes (Fitness for Human Habitation) Bill—is necessary to give tenants that power, because often local authorities are no longer able to take such action.

Liz Twist: Does that not remind us that, although the Homes (Fitness for Human Habitation) Bill is a positive move, another essential part of protecting tenants and ensuring that they live in good conditions is giving them the right not to face retaliatory convictions and the right to raise their concerns without being evicted under section 21? It is therefore essential that section 21 is removed.

Andy Slaughter: My hon. Friend is right. We tend, rightly, to focus on bad landlords. I think we all agree that they are a minority, but there is some shocking practice out there. That is nothing new—some of us can still remember the age of Hoogstraten and Rachman. However, I do not think that that is what the debate is primarily about. As I said in my intervention, it is about changing the climate in the private rented sector for good and bad landlords. It is about changing the way in which the private rented sector operates, which is long overdue.

I am often asked to act both for landlords and for tenants in relation to assured shorthold tenancies. A whole industry grew up, partly fuelled by the excellent housing columns in the magazine *Legal Action* by their honours Nic Madge, who recently retired, and Jan Luba, who is still a sitting judge. Systematically, over many years, they indicated all the areas of housing law where practice was changing and precedents were being set in the higher and lower courts.

A whole industry developed around section 21 notices, which are actually quite difficult to get right. Landlords who think that they can do it themselves often get them wrong. Although they cannot be challenged on the basis that it is a no-fault eviction—the tenant has been a model tenant, and all the other things that we have heard—they can be challenged if they have got it wrong procedurally. Often they have, but it does not get found out.

That should be spotted, frankly, by the judge, even if they are looking at the case on paper—the accelerated procedure for section 21 notices means that often such matters are not heard in court at all. Without the benefit of legal aid and legal advice, it is difficult to expect the tenant to know the process, but often the landlord does not either and it is, in fact, defective. However, it is an indictment of the way in which the housing market runs if we are reliant on catching landlords out on such procedural matters to give people security.

Ms Buck: Is it not also the case that, because tenants do not necessarily know their rights or have access to advice, many people leave their properties, and a much

larger number of people feel that they have to, upon the issuing of a section 21 notice, before it goes to court, or at the point of receiving a warrant? They then find themselves judged by the local authority to be intentionally homeless because they did not stay until they were required to leave.

Andy Slaughter: I know that my hon. Friend is, like me, a great rooter around inside plastic carrier bags when they are brought into her surgery. Often one can find, among many other papers, half a dozen possession notices. Social landlords are better at this—or worse, depending on how one looks at the matter—because they often rather lazily issue notices seeking possession with no intention of pursuing them, the only purpose perhaps being to terrify the tenant. However, private landlords do it as well. They will issue section 21 notices like confetti, either as protective notices, or to try to scare the tenant off or something of that kind.

Although my hon. Friend is right that the advice should always be to stay put, to try to get what legal advice is available and to talk to the local authority housing adviser, one thing that the landlord will say is, “If you don’t go now, there will be costs when, at the end of the two-month period, I issue proceedings, or after that when I issue the bailiff notice, and you’ll have to pay them. It will be several hundred pounds at least, and if you challenge, or attempt to challenge, the action it could be more than that.”

Lyn Brown: I hate to extend my hon. Friend’s peroration because I am desperate to get in myself, but he reminds me of a constituency case in which a woman who had learning difficulties, whose son was magnificently supported by a local school, was being terrified by the landlord about her eviction. She left on the date that he told her. The council then had the issue of intentionality, and she has ended up, because she just could not cope with the stress, in a small village outside Bradford, and her little boy is simply not getting support. Had I known that we were going to have a long debate today, I would have brought every single one of those cases to lay before the Minister. Some of the stories that we hear, and know to be true, are just appalling.

Andy Slaughter: If my hon. Friend wants to pop back to her office, I can keep things going until she comes back.

Lyn Brown: I have no doubt about that.

Andy Slaughter: What my hon. Friend says is absolutely true: tenants are damned if they do and damned if they don’t. If they leave too early, they can be criticised by the local authority; if they leave too late, apart from the cost risk, they may find that time has literally run out. Increasingly, tenants are coming to me and saying that they have been evicted and lost their belongings, which were in the property after the bailiffs arrived, and that they and their children are sleeping on somebody’s floor, sofa-surfing or in wholly inadequate hostel accommodation and being moved on night by night. My council acts as responsibly as it can to try to keep families together and ensure that people are rehoused in the borough or as close to it as possible, but as we all know, schooling, employment, support networks and caring responsibilities are all disrupted by the process—that is very common now.

[*Andy Slaughter*]

I hope that nobody here has experienced eviction at first hand, but I am sure we have all met many constituents who have. It is one of the most traumatic things that someone can go through. The humiliation, the cost, the uncertainty, the rejection—the whole process is just appalling, and it is now accelerating as a consequence of simple greed or commercial practice. Unfortunately, with the growth of buy-to-let and temptation in the private rented market, rents are escalating at a huge rate.

Only the other day, we were talking about the difficulty of building affordable homes. I am proud to say that my local authority is now building 1,500 new affordable homes, rather than knocking them down as it did when it was Conservative. However, the rent for a new social rented home is about 20% of the market rate, which means that building it requires a huge subsidy, which is very difficult to obtain. [*Interruption.*] I can hear the hon. Member for Cheltenham (Alex Chalk) tutting, but he knows that that will just encourage me.

In 2010, all the support for subsidy for social rented homes was removed, so it is no wonder that there has been a huge decline in availability and more reliance on the private rented sector. There is a fourfold or fivefold discrepancy in rent levels and landlords are being tempted to increase their income substantially simply by evicting tenants and replacing them with others. Alternatively, they may be thinking, “I don’t want to make more of a profit than I make already, but with benefit caps and restrictions on the rent that the tenant can pay”—given London rents, tenants will inevitably be partially reliant on housing benefit, even if they are working full-time—“I cannot afford to rent to them any more, so I’m evicting them.”

Alex Chalk: The hon. Gentleman knows how fond I am of him and his remarks, but his slightly party political point tempts me to intervene. This debate is about whether it is right to update the 1988 legislation. Does he accept that his party was in power between 1997 and 2010 but declined to do so? Does he agree that we ought to consider the matter in a more cross-party, consensual and reasonable way, rather than drawing party political points? [*Interruption.*] The hon. Member for Great Grimsby (Melanie Onn) is shaking her head, but does the hon. Gentleman agree that this need not be too partisan an issue?

Melanie Onn: You’re in the minority here—you should be careful!

Andy Slaughter: I thought I was making one of my most conciliatory speeches in the past 13 years. I am sure that when the hon. Member for Cheltenham hears from our Front Bench, a lot more of the Rottweiler tendency will be on show.

Wera Hobhouse: Will the hon. Gentleman give way?

Andy Slaughter: In a moment.

I should not look a gift horse in the mouth, because the hon. Member for Cheltenham has come here to be conciliatory and supportive, so I will move on. Although I regard Labour Governments as scrupulously honest,

fair and absolutely on the ball in many respects, I agree that there are one or two aspects of housing that past Labour Governments have not got 100% right. Shall we leave it at that?

[*SIR GRAHAM BRADY in the Chair*]

I think there is now a realisation that things have shifted too far in one direction. There is a willingness to look at the issue again and to effect change, whether through rent-to-buy schemes, which are a big part of the Mayor of London’s platform, through longer-term tenancies or through wholesale reform, as has happened in other jurisdictions within the United Kingdom—Scotland is the example that we have used. Labour party policy has moved on beneficially, not least since I was sacked as shadow Minister last year and somebody far more radical and impressive has taken over.

Lyn Brown: And less long-winded!

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): We live in hope.

Andy Slaughter: We will hear from the new shadow Minister in a moment, but I hope she will not take it amiss if I say that I am particularly looking forward to hearing what the Minister has to say and finding out how far policy has moved on within the Government—not just on the rabble-rousing Conservative Back Benches where the hon. Member for Cheltenham sits with the radical, provisional wing of the Conservative party.

Can the Minister give us some indication that the issues of balance and no-fault eviction are understood? May we look forward to some beneficial changes that give security to families, particularly in high rent areas, but also—as we heard from my hon. Friend the Member for Easington—across the country? Those changes are long overdue. Whatever the merits or demerits of the 1988 Act, it is time we took another comprehensive look at housing legislation and redressed some of the obvious unfairness in the private rented sector.

2.57 pm

Lyn Brown (West Ham) (Lab): I am always delighted to follow my hon. Friend the Member for Hammersmith (Andy Slaughter), who always makes pertinent and important remarks. To carry on from where he left off, let me say that I hope the Minister hears the plea from my hon. Friend the Member for Easington (Grahame Morris) and ensures that when his council asks for powers to improve housing stock and stop tenants being exploited, it will receive the same powers that have been extended to my council. That would be a jolly good thing for the Minister to offer this afternoon. I realise that the civil servants behind her might suggest that she should not act so radically and precipitately, but I genuinely believe that it would be very welcome. It would show that she had listened to the debate, understood it and taken positive action.

I thank my hon. Friend the Member for Westminster North (Ms Buck) for securing the debate. She has already accomplished a huge amount in the fight to secure safe and affordable homes for all, and the debate is an important continuation of that campaign. I think that I can say without fear of contradiction that the

housing crisis is more severe in Newham than almost anywhere in the country. We have an enormous shortage of affordable homes, with almost 26,000 households on the council's waiting list. The average time for a family to wait for a three-bedroom home in Newham at the moment is 13 years, and it has been higher.

I want to deviate slightly from what I was going to say to talk about my family, which was cleared from a slum in West Silvertown in 1963. I was born a little earlier. We moved into a beautiful two-bedroom flat overlooking the dying docks. It was that flat—that secure accommodation—that everything else stemmed from. My mum and dad had stability. They both worked locally, to provide for us. That home, however small and inadequate it was, gave me the ability to study, to build community support and to continue with my education in just two schools. So many children in my constituency do not have those privileges now. They have to move from school to school, or face journeys of more than an hour a day, which their families can ill afford, in order to continue having the same friends and teachers and some stability in their lives.

Instability is creating enormous difficulties for such families, and that will go on for years. Often it means that they are not registered with doctors. Often it means that the children are not fulfilling their potential in education. Often the implications of what has happened to them go on into the future. I could try a Conservative argument: there will be a cost effect for the families and for the state in years to come. Children who do not fulfil their potential at school will not fulfil their potential in a functioning economy. The children and parents who are not getting the primary healthcare they need often go on to cost the NHS more in years to come. It is a false economy not to invest in our families, and if that investment had not been made for me, I would not be here today and my little sister would not be a solicitor. It would not have happened and we would not have been able to accomplish what we have. I want the same for my constituents as was given to me.

In Newham, like many other places, the social housing stock has declined massively because of right to buy. The council did not see the return from that—the Treasury did—and it has not been able to borrow as cheaply in order to replace the stock. Half of the local homes bought under right to buy are owner-occupied, but the other half—5,000 in Newham—have made their way into the private rented sector, where rents have shot up. Rents in Newham increased by 47% in just five years between 2011 and 2016.

Wera Hobhouse: The lack of social housing is at the root of this huge problem. We should not play a blame game here, because the problem has increased under successive Governments. Does the hon. Lady not agree that it is now for all of us to work together to massively rebuild our social housing stock? Otherwise, we will not solve the crisis.

Lyn Brown: I am absolutely fully committed to building social housing and ensuring that the people I represent have proper access to it and to stability, because a single mum in my constituency, working full time on low pay with two children, living over a chicken shop, will spend 73% or more of her income on the private sector rent on even a cheap flat like that—73% or more of income, before paying for food, heating, travel or clothes.

Evictions from the private sector are now by far the biggest cause of homelessness in Newham, and homelessness is increasing rapidly. Some 14,611 people are now homeless in Newham, which is one in every 24 residents—the highest rate in the country. I genuinely believe that section 21 is one of the reasons behind the rising rents that have led to such a horrifying level of homelessness in my constituency.

I want to mention one story—I should have taken up the offer from my hon. Friend the Member for Hammersmith and nipped back to the office to get a few more. I want to tell hon. Members about Martin, who lives with his wife and two children in a rental property in Newham. The property had not been properly maintained and is not fit for a family to live in. The bathroom had tiles falling off the walls when they used the shower, and the ceiling was at risk of falling in under the weight of water that was sitting in the plaster. In his son's bedroom, water streamed down the walls and through the ceiling, damaging the laptop that he needed to do his schoolwork. The landlord promised to act because Martin had repeatedly gone back to him in desperation, but the repairs were never done. Instead, Martin and his family were served with a section 21 eviction notice in August this year. He was given absolutely no reason why the family needed to move.

Martin is still in the property, resisting the eviction, with support from the London Renters Union. I pay tribute to the work that that organisation does in supporting many of my constituents who find themselves in similar situations. The family have been faced with illegal tactics from the landlord. He regularly sends his family members and agents to the house to try to make them leave—they try to bully them into leaving. Frankly, if it had been other constituents of mine who I am in regular contact with, that tactic would have worked by now and I would be arguing with my council over intentionality.

Martin believes, as I do, that this is a revenge eviction. By demanding their right to live in a home fit for human habitation, Martin and his family have simply made themselves more trouble than they were worth. The landlord knows that he can rent the property to someone else, probably for a higher figure, and can just sit it out and wait until they start to complain about the conditions, and then he will go through the same cycle again.

It is so distressing for a working family who are on a low income. They have had to fill out a homelessness application to the council. Given their financial circumstances, they may not be able to access any other private accommodation in Newham, because letting agent fees, deposits and rents are quite simply extortionate. Vulnerable and poor families are paying the price for a housing system that unfairly empowers landlords to carry out no-fault evictions. Our councils and our council tax payers are paying the price too. We desperately need to bring homelessness down and improve housing conditions in the private rented sector. For that to happen, section 21 just has to go.

3.8 pm

Melanie Onn (Great Grimsby) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I start by welcoming the Minister back to her place. This is the first time that we have had the opportunity to face each other in recent months, and I am very pleased to see her.

[Melanie Onn]

I pay tribute to my hon. Friend the Member for Westminster North (Ms Buck) for securing this debate, and for her truly exceptional work to help those who struggle to get a long-term decent home in the private rented sector. She has been absolutely tireless in ensuring that the quality of people's accommodation is sufficient and suitable for people to live in in the 21st century, and she is so persuasive that the Government supported her private Member's Bill earlier in the year. I congratulate her on that.

For many of the 4.7 million private rental households in England, the risk of being evicted by a section 21 notice casts a looming shadow of insecurity over their time in the private rental market. In as little as two months after being served a notice, a tenant's life can be turned around. For the one in four families with kids who live in rented accommodation, that can mean moving their children out of the settled environment of their school, where they have friends and connections. As my hon. Friend the Member for West Ham (Lyn Brown) eloquently said, that reduces their potential, limits their life chances and impacts on their healthcare and education. She helpfully set out some of the financial ramifications of failing in housing in the first instance, making those families move into new and strange environments. For many, their ability to raise the money for new accommodation, including deposits that can now stretch into thousands of pounds, is simply a pipe dream.

It is no coincidence that the rise of the loss of a private rental tenancy as a reason for statutory homelessness since 2010 has come in parallel with a rise in the use of section 21 eviction processes, and Generation Rent research suggests that more than 200 households a week are being made homeless through section 21 evictions. The use of section 21 has severe impacts on those who face it, yet there is no oversight of its use to ensure that it is justified, fair or proportional.

Nothing sums up better how deeply unjust the application of section 21 can be than the experience of a number of my constituents who were moved on to universal credit this time last year. During the transition to universal credit in my area as part of the pilot roll-out, a property company that housed the vast majority of universal credit tenants—generally at the lower end of the market and in cheaper properties that are not always in the best condition—sent blanket section 21 notices to people in its properties. While the landlord said that it had absolutely no intention to evict tenants who did not fall into arrears, the form 6A that was handed to tenants clearly stated that they were required to leave their property on 15 January. That action by the property company left people and their families facing homelessness just three weeks after Christmas. Those tenants need not have been in significant debt arrears to end up losing their home. Only the Leader of the Opposition's raising this matter at Prime Minister's questions brought home to the agents just how unfair and unnecessary their actions were. On first reading, the letter indicated that the information on the form was final, and the full wording of that letter can easily be interpreted as saying that late payment by even one day would result in eviction.

My hon. Friend the Member for Hammersmith (Andy Slaughter) mentioned how those possession orders and the letters can literally terrify tenants, which is something

that I experienced on a large scale only a year ago. He also commented on tenants being issued with a possession notice and being terrified. If they are deemed to have left the property too early, the local authority considers them to be intentionally homeless. How does that now work with the Homelessness Reduction Act 2017 and the local authority's duty to prevent homelessness? The two seem to be in conflict, and I shall be grateful if the Minister touches on that in her closing remarks. I am sure that she will absolutely agree that causing families that much stress over Christmas and putting people at risk of homelessness due to Government system changes rather than to individual fault, and when they have no previous rent arrears or a track record of being a bad tenant, is not how we want the eviction process to work in this country in the 21st century, but that is completely legal under section 21.

It is not just the eviction process where section 21 has a devastating effect on tenants in England. Giving landlords the power to play fast and loose with security of tenure creates a power imbalance, which unscrupulous landlords use to intimidate or exploit tenants and to get away with improper and often illegal practices. Some of the most extreme cases of this were made clear in Westminster Hall last week during the debate on sex for rent, which was secured by my hon. Friend the Member for Hove (Peter Kyle). Shelter estimates that this issue affects 100,000 women each year.

When landlords can evict tenants indiscriminately, they can hang the threat of eviction over tenants at any time they see fit. Tenants, who are often unaware of the help that is available to them, and often unaware of their rights and where they can get advice, feel that they have very little right, even if they could afford—particularly in terms of legal support—to challenge whether they had been correctly served with a notice.

Lyn Brown: My hon. Friend spoke about tenants not knowing where to go to receive advice. One of the biggest problems we have in Newham is that there is no longer anywhere for our tenants to go for advice—we do not really have that kind of advice and services. We no longer have legal aid to look after our tenants, and we certainly do not have fully functioning and properly funded citizens advice bureaux or housing rights services, which exacerbates everything and makes it so much worse.

Melanie Onn: My hon. Friend is absolutely right. I have a personal understanding of that situation, particularly in Newham, because my mum used to work for Community Links, which suffered huge cuts in 2012, resulting in her redundancy. That was precisely the organisation that provided that kind of detailed advice, support and casework to individuals in my hon. Friend's constituency.

When landlords can evict tenants indiscriminately, tenants do not feel empowered or that they have sufficient knowledge or support. When they think that they have a very slim chance of winning a legal case where a threat is made with no written evidence, they just think, "What on earth is the point?" and look for somewhere else to live, which can often be far out of the area, particularly in London. If a landlord is seeking to move somebody on because they want to receive a higher rent—we know that is the case due to the demand in the city—it can be impossible for people to find similar

accommodation in their locality and local community. Landlords can use the threat of section 21 eviction to pressure tenants into sex, and too often they can carry out the threat of eviction, as there are no clear checks that would allow a tenant to challenge an unfair and punitive eviction.

My hon. Friend the Member for Westminster North was absolutely right to talk about the private rented sector as the only housing option available to people, now that the ability to buy is so far out of so many people's reach. She was also right to talk about how different the private rented sector is from the way that it used to be perceived. We are approaching 5 million people in the private rented sector who will be there for the long term—who will be in that sector, even if not temporary accommodation, for many years. Surely it is right that when circumstances change, we should acknowledge and accept that and say, "Yes, let's change the policy accordingly—it has to reflect modern times."

We need a new system of evictions in England, with proper checks and balances to prevent abuse. We know that there are numerous valid reasons why a landlord needs to evict a tenant. None of us wants to do away with a landlord's right to evict bad tenants, sell their property or move back in, if need be, but it surely cannot be beyond our capabilities to draw up a new system that reflects that while protecting tenants. It is a case only of whether there is the will to do it. Some landlords use section 21 to carry out evictions because the current section 8 process is too slow and complex to evict bad tenants, but we do not need a no-fault eviction process to allow landlords to reclaim their properties legitimately. It is easy to prove that a tenant is in rent arrears or has caused significant damage to a property, easy to prove that you are in the process of selling a rented property, and easy to prove that you have genuinely reclaimed a property for self-use and not to rent commercially to another tenant. So simplifying section 8 and putting in a proper system that means landlords must give a valid reason for eviction—I say again—should not be beyond the means of the Government. If we create a system that provides better checks and balances, there seems to be no reason at all to keep a no-fault eviction clause that causes so much hurt for thousands of tenants around the country.

Before I finish, I want to say that my hon. Friend the Member for Easington (Grahame Morris) deserves a visit from the Government. I hope the Minister will rapidly flick through her diary to find an available date to go and look at how integral security of housing, quality of housing, availability and affordability are to people's wellbeing and strength in his local community. A visit would be greatly appreciated.

If the Minister recognises that we have to root out bad and exploitative landlords; that we need to try to professionalise the private rented sector; that we want to tackle discrimination of renters and improve communities by ensuring that people feel invested in their properties as homes and not somebody else's investment; and that the private rented sector is a valued and necessary part of the housing mix in this country while we wait for councils to be able to start building more social homes, hopefully she will agree with what my hon. Friend the Member for Westminster North has proposed today.

3.21 pm

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler):

It is a pleasure to serve under your chairmanship, Sir Graham. I refer Members to my entry in the Register of Members' Financial Interests. I congratulate the hon. Member for Westminster North (Ms Buck) on securing the debate and thank all those who have made wonderful contributions today for their interesting stories from across the country, which tug at the heartstrings.

This is an important issue and I am glad to be able to respond to some of the concerns raised. We are committed to rebalancing the relationship between tenants and landlords, to deliver a fairer, better-quality and more affordable private rented sector. The sector plays a pivotal role in providing homes across the country and is an integral element of the Government's approach to making the housing market work for everyone.

On the specific points made by the hon. Members for Westminster North and for Hammersmith (Andy Slaughter) on section 21, the legal framework underpinning the private rented sector works to build a fair and robust private rented sector that protects tenants, supports landlords and empowers local authorities to deliver a healthy rental sector. The Government provide support to landlords and tenants to navigate the legislative landscape and have recently updated the "How to Rent" guides that offer comprehensive guidance and signposting to relevant resources. The Government are committed to providing practical guidance to relevant agencies and local authorities when new legislation is created.

Interestingly, according to the most recent English housing survey, 84% of private renters were satisfied with their current accommodation, and two thirds were either very satisfied or fairly satisfied with their current tenure. However, we also recognise that many tenants feel insecure and that their house is not their home because they are on short initial fixed-term tenancies of six to 12 months. We are committed to improving security for tenants.

Section 21 provisions provide an important guarantee to landlords that they will always be able to get their property back at the end of the tenancy. The flexibility for landlords and mortgage providers to recover their asset if they need to is crucial to retaining investment and supply in the sector, including the availability of buy-to-let mortgages. I want to make this point specifically in reply to my hon. Friend the Member for Cheltenham (Alex Chalk), who has had to leave us. There are clear legal protections for tenants and a clear process that landlords must follow when carrying out a section 21 eviction.

Outside the fixed-term tenancy period, a landlord can evict a tenant using a section 21 notice, but only when they have complied with certain legal obligations. Those include protecting their tenants' deposit in a tenancy deposit scheme, providing a gas safety certificate, and also providing a copy of the Government's "How to Rent" guide. If, in response to a complaint about property condition by a tenant, the local authority has served either an improvement notice or a notice of emergency remedial action, a landlord cannot evict a tenant using a section 21 notice for six months. Furthermore, under the Tenant Fees Bill, we propose that if a landlord charges a prohibited fee, they will not be able to serve a section 21 notice until those payments have been reimbursed.

[Mrs Heather Wheeler]

The Government want to protect the rights of tenants and give them more security, but we must do so in a way that does not impact on the supply of good-quality rented accommodation.

Andy Slaughter: The Minister highlights important and hard-won preconditions for taking eviction proceedings, but that does not alter the fact that, in the generality of cases, we are talking about no-fault evictions. Opposition Members are anxious to hear what the Government will do about no-fault evictions. Do they still maintain that that is the right general approach or do they think that its day has come to be removed?

Mrs Wheeler: Fortunately, as we have so much time, I have an extremely long speech and the hon. Gentleman might be stunned to hear what I have to say. Or he may not.

Growing numbers of tenants are families or older people and the Government are firmly committed to helping them. The measures announced in the housing White Paper mean that most tenants in the build-to-rent sector are now being offered tenancies of a minimum of three years. We recently consulted on overcoming the barriers to longer tenancies in the private rented sector. We sought views on a three-year longer tenancy model with a six-month break clause and asked for views on its viability and how it can be implemented. The consultation closed at the end of August and we are now analysing responses.

A three-year tenancy is one option. However, we have not made any policy decisions regarding tenancy length, whether to change the legislation on section 21 evictions or how our proposed model could be implemented. We are considering the consultation responses fully before making any policy decisions and will set out next steps shortly. In the meantime, for tenants who want a longer tenancy, we have published a model tenancy agreement that landlords and tenants can choose to use as the basis for longer, family-friendly tenancies. We have also published “How to Rent” and “How to Let” guides for tenants and landlords to support them in understanding their rights and responsibilities.

To answer some of the points made by the hon. Members for Westminster North and for Easington (Grahame Morris), the Government recognise the important role that private landlords play in supporting the UK economy and in providing homes to millions of people across the country. We recognise that in order to continue to offer housing, landlords need the flexibility to be able to get their property back quickly when circumstances change. Without those assurances, landlords would be less willing to enter and stay in the market, which does not help tenants.

We recognise that some landlords have concerns about the section 8 eviction process and instead use the section 21 accelerated procedure. We are keen to understand those concerns, and last month, on 13 November, we launched a call for evidence to better understand the experience of courts and tribunal service users in property cases. The call for evidence seeks views from members of the judiciary, landlords and tenants on the private landlord possession action process in the county court

and the case for structural changes, such as an extension to the remit of the property tribunal or a new housing court.

There have been calls from hon. Members here today to abolish section 21 evictions. As I have said, we have not yet made any firm policy decisions on whether to legislate to alter the provisions set out in section 21. We first want to consider carefully the responses to the call for evidence on user experience of the courts.

Lyn Brown: I am grateful to the Minister for giving way; she knows that I have a soft spot for her. What will I say to Martin about what she has offered this afternoon? Can I say that she is considering getting rid of section 21, or that his rights will be enhanced by the Government's future actions? What advice would she like me to give to Martin?

Mrs Wheeler: I am sure that the hon. Lady has espoused the brilliance of the licensing scheme in Newham and the brilliance of her council. Perhaps her council should have gone round to the flat to deal with the dreadful situation that she has enlightened us with today.

Lyn Brown: We will talk about it outside.

Mrs Wheeler: We will indeed; I would be delighted to have that conversation.

As I stressed at the start of my speech, property is a valuable asset and landlords may need to gain possession quickly for various reasons, perhaps because they wish to sell the property, or to enable them or a family member to move in. As I said, there is a clear legal protection for tenants, and a clear process that landlords must follow when carrying out a section 21 eviction.

I appreciated hearing what the hon. Member for Easington had to say about selective licensing and borough-wide licensing, and about enforcement of property standards. Selective licensing is meant to be a targeted tool that can deliver improved standards and safety in the private rented sector for areas suffering serious problems. It can be used at local authorities' discretion, but where it covers more than 20% of the private rented stock, confirmation by the Secretary of State is required. That is to ensure that local authorities focus their activity on the worst areas and avoid an adverse impact on good landlords. Local authorities have an array of powers at their disposal for enforcing property standards. We expect them to use those to maximum effect and have set up a £2 million fund to help them kick-start enforcement and share best practice. Having said all that, the offer that I would like to make to the hon. Gentleman is that my officials will contact his local authority to talk about an application for licensing.

The 2016-17 English housing survey found that only a tenth of private tenants, when asked about their most recent move, said that they were asked to leave or were given notice by their landlord. There were 1.1 million moves into and within the private rented sector in 2016-17, with private renters making up a larger proportion of movers compared with other tenures. However, there has been an overall decrease in the number of private landlord possession cases since 2014. In England and Wales there were 20,590 private landlord possession cases in 2016-17. That shows that only a small percentage

of moves in the sector end in the courts. Of course, where that does happen it can have a devastating impact on the tenants involved. The Government acknowledge that the end of an assured tenancy in the private rented sector can cause homelessness.

I want to make it clear that we have one of the strongest safety nets in the world to prevent homelessness, and we recently strengthened it through the Homelessness Reduction Act 2017. The Act came into force in April and brought in a new prevention duty, extending the period for which an applicant is “threatened with homelessness” from 28 days to 56 days. That will ensure that those served with a valid section 21 notice that is due to expire will be classed as threatened with homelessness and supported until their situation is resolved—to answer a question that was put during the debate—with no gap between prevention and relief duties, if they have nowhere else to go. If the landlord intends to seek possession and there is no defence to the application, the local housing authority must take reasonable steps to prevent a person’s homelessness. Local authorities must work with applicants to develop personalised housing plans, tailored to the needs and circumstances of the household.

Melanie Onn: I thank the Minister for her further explanation of the point about the Homelessness Reduction Act 2017. Can she confirm that, were someone to leave their property early, having received the possession notice, and were they to attend the local authority, they would be deemed homeless, and not intentionally homeless, and given the same support as someone who was homeless as a result of another set of circumstances?

Lyn Brown: No, she cannot.

Mrs Wheeler: The hon. Lady says from a sedentary position that I cannot. The absolute truth is that the person must go to the local authority as soon as they get the section 21 notice, and the local authority then has a duty to help them.

Ms Buck: They will not.

Mrs Wheeler: They will not go? Okay, we will find out.

The hon. Member for Bath (Wera Hobhouse) mentioned affordability. That issue is exactly the reason the Government introduced the £1 billion Build to Rent fund, and the £3.5 billion private rented sector guarantee scheme, to help support the building of thousands of extra homes specifically for private rent. We want Build to Rent to continue to grow and make a significant contribution to housing supply.

Wera Hobhouse: I fear that the Minister may have misunderstood what I meant. We need to build social homes for rent, because the private sector will just not build the affordable homes we need. Giving the private sector money to build homes for the private sector will not solve the crisis.

Mrs Wheeler: Fortunately, as I go on with my speech, the hon. Lady will hear even more good news.

We are going further, delivering the homes that the country requires. The Government are committed to building more affordable homes, supporting the different

needs of a wide range of people. The Government are committed to increasing the supply of social affordable housing and have made £9 billion available through the affordable homes programme to March 2022, to deliver 250,000 new affordable homes on a wide range of tenures, including homes for social rent. Furthermore, we abolished the housing revenue account borrowing cap on 29 October. That will help to deliver a new generation of council homes. We expect it will help local authorities to double their building from around 5,000 to 10,000 homes per year by 2021-22.

Melanie Onn: The Minister is being incredibly generous in giving way. On the lifting of the HRA cap, which has been well received on the whole, what is the Government’s plan for those local authorities that do not have an HRA account because they disposed of their stock wholesale, at the time when housing associations became involved, about 10 years ago?

Mrs Wheeler: From memory, if a local council wants to go back into the market, as long as it builds a minimum of 100, it can. Obviously, I shall write to the hon. Lady to confirm that.

The change will diversify the house building market, as councils are better able to take on projects and sites that private developers might consider too small. To help further, we are providing a longer-term rent deal for five years from 2020 that provides housing associations and local authorities with a stable investment environment to deliver new homes. That will help to deliver the new generation of council house building that the Prime Minister announced recently.

Our position on retaliatory eviction is clear. To answer the hon. Members for Blaydon (Liz Twist) and for Leeds North West (Alex Sobel), no tenant with a genuine complaint about the condition of their property should be fearful of retaliatory eviction. That is why we have already taken steps on the matter, legislating to protect tenants from retaliatory eviction through the Deregulation Act 2015. As we are all aware, the vast majority of landlords provide well-maintained properties, and thankfully only a small number of tenants encounter the threat of retaliatory eviction. We share the ambition of ensuring that tenants are properly protected from retaliatory eviction—I shall begin to call it RE, as I cannot get my teeth around it.

We want to take a strategic approach, empowering tenants to raise issues with their landlords through greater security of tenure. Our recent consultation on overcoming the barriers to longer tenancies in the private rented sector included a question seeking views on the effectiveness of RE provisions. That ensures that we have the most up-to-date information to inform our thinking. We are currently analysing responses. We are supporting the private Member’s Bill promoted by the hon. Member for Westminster North, the Homes (Fitness for Human Habitation) Bill. It adds a new dimension to the fight against rogue landlords, empowering tenants by allowing them to seek redress from their landlords if their rented house or flat is in an unacceptably dangerous condition. Tenants will be able to seek that redress without having to rely on their local authority. Of course, they will still be able to report problems to their local authority if they prefer, and will then be protected from unfair eviction by the 2015 Act. We are also

[Mrs Wheeler]

exploring how we can strengthen redress in the housing market and are committed to requiring all private landlords to join a redress scheme as part of that. We will be publishing the response to our redress consultation shortly.

I hope that my remarks today demonstrate the Government's commitment to building a private rented sector that works for everyone—one that supports good landlords to deliver the homes the nation needs and provides safe, affordable and secure homes for tenants. We do not shy away from the challenges facing us and are aware that we need the support of the entire private rented sector if we are to achieve those goals. It is in that spirit that I thank all hon. Members for their speeches and questions. I hope the hon. Member for Easington survives his cold—he has just toddled off. It would be a pleasure to talk to him about organising a visit to his area. I look forward to working with the hon. Member for Westminster North and other hon. Members in the coming weeks and months on this very important issue.

3.40 pm

Ms Buck: I will not detain hon. Members long. I am very grateful to the hon. Members who came along this afternoon. A number of others indicated that they wanted to come, but are unfortunately queuing in the Brexit debate. There is genuine strength of feeling in Parliament about the need for change. We heard powerful contributions from my hon. Friends the Members for Easington (Grahame Morris), for Hammersmith (Andy Slaughter), for West Ham (Lyn Brown) and for Blaydon (Liz Twist) and the hon. Member for Bath (Wera Hobhouse). I was particularly touched by the contribution of the hon. Member for Cheltenham (Alex Chalk), because in all my years in Parliament, the number of times that anybody has said that they have changed their mind during a debate can be counted on the fingers of one hand, so that is something I will cherish.

I am grateful to the Minister for her usual courtesy, but I was disappointed by her response. I appreciate that Governments always say no until they say yes, but I hope that, beneath the surface, there is more thinking going on about this issue. Although she is absolutely right that the issuing of no-fault evictions is subject to a number of conditions, I do not think it is reasonable to say that they in any way undermine the application of section 21 to the private rental sector. It is a structural source of insecurity in a growing sector, which is increasingly home to families and others who are looking for security.

The Minister quoted the English housing survey, which said that just 10% of tenants said that their landlords had required them to move, but the sector is now home to 4.7 million people, and there is a danger that we look at a low percentage and confuse it with a low number of people who are affected. Actually, a

huge number of people are living under the shadow of insecurity. Homelessness is expensive, traumatic and a huge challenge for local authorities, but it is only the tip of the insecurity iceberg. That has been very well documented by the National Audit Office and many others, and there is a solid body of evidence supporting the need to tackle no-fault evictions in order to help us tackle homelessness, particularly in areas of high housing pressure such as London—but that is not the only reason to do so. There is a much wider problem of insecurity. We have heard the case studies. We know from what Generation Rent and other housing charities are telling us, and from other supporting evidence about the impact of high population churn and mobility, which is overwhelmingly concentrated in the private rented sector, that this is a real and growing problem.

The Minister mentioned the cases that come to court. We know that the cases involving section 21 notices that come to court are only a small proportion of the total. People are living under that shadow and they do not like it, particularly when they are trying to achieve stability in their employment, community and family.

I hope that the discouraging tone that we have heard this afternoon about section 21 is not the end of the story. We are 30 years on from the introduction of a legislative framework that is simply no longer fit for purpose. There is no reason to fear, and no reason for landlords to fear, a change in the law, provided it is set in the proper context of meeting their reasonable needs to secure their property in the case of bad tenant behaviour or return to their home if they wish. Those things are entirely possible within the legislative framework. We will have to see how it works in Scotland. Other countries in continental Europe, such as Germany, have this model and do not have a problem. We do not have to live in a deregulatory housing environment.

This issue is not going to go away. I was encouraged to hear my hon. Friend the Member for Great Grimsby (Melanie Onn) reaffirm that the Labour party would take action to end section 21, but I think that should be consensual if possible. We should be able to build a consensus for change. I hope the Minister will go back to the Department and seek to bring about a change. It is time for a fair deal for Britain's private renters. That is not the only thing we need to do. We need to tackle the issue of welfare reforms and build social housing, but this is a critical tool in the arsenal of attempting to build a fairer and more decent society for the private rented sector. This is an issue to which I know we will return.

Question put and agreed to.

Resolved,

That this House has considered the use of Section 21 evictions in the private rented sector.

3.45 pm

Sitting adjourned.

Written Statements

Thursday 6 December 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Capacity Market

The Minister for Energy and Clean Growth (Claire Perry): Following the decision on 15 November 2018 by the European Court to annul the European Commission's approval for the UK capacity market, the Government are updating the House on the process that will be followed to ensure that the capacity market can be reinstated as speedily as possible.

As National Grid has already confirmed, the court ruling will not impact security of supply this winter. The ruling does not change the UK Government's view that the capacity market is the right mechanism to deliver secure electricity supplies at least cost.

The Commission has confirmed that it will be conducting an investigation into the original state aid notification for the capacity market. This investigation covers the capacity market agreements already entered into including those for 2018-19 and 2019-20.

A positive final state aid decision would allow payments to be made to those agreement holders that have met their obligations during the standstill period. The Commission expects to make its opening decision on the issues covered in the investigation by early 2019.

To support this, National Grid will continue to operate the capacity market as normal but without payments being made to agreement holders. This will ensure that market participants can operate as normal and will also aid the calculation of future capacity market payments.

The Government have also confirmed an intention to hold a T-1 top-up auction during the summer of 2019, for delivery in 2019-20. Agreements secured through this auction will be conditional on the outcome of the Commission's formal investigation.

The Government are also considering the viability of the capacity market supplier charge continuing to be collected under the expectation that payments will be passed on to agreement holders at the appropriate time.

A technical statement is being published which provides further detail to market participants on the next steps as agreed with the Commission. This can be found on the BEIS website.

We will continue to update market participants.

[HCWS1154]

General Affairs Council: Cohesion Policy

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): My right hon Friend the Parliamentary Under-Secretary for State for the Department of Business, Energy and Industrial Strategy (Lord Henley) has made the following written ministerial statement:

I attended the General Affairs Council (Cohesion) on 30 November 2018. The meeting was held in Brussels and chaired by the Austrian presidency.

The meeting was dedicated to deliberations around the legislative package for post-2020 cohesion policy.

A provisional report of the meeting and the conclusions adopted can be found on the Council of the European Union's website at:

<https://www.consilium.europa.eu/en/meetings/gac/2018/11/30/>

The General Affairs Council discussed the future direction of cohesion policy in the next multiannual financial framework. Ministers and their representatives from member states presented their positions on the legislative proposals for post-2020, with a view to influencing the Commission's proposals and commenting on the views from the Austrian presidency.

Member states particularly focused on efforts for simplification, harmonisation, the strategic framework for future cohesion policy, and intervened on the partnership agreement and mid-term review. I intervened to support a link to the European semester, for further simplification and harmonisation, as well as outlining the UK position on the partnership agreement, the mid-term review and the proposals on European territorial co-operation.

The Austrian presidency provided an update on non-legislative and legislative items.

[HCWS1151]

Industrial Strategy: Aerospace Sector

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): As part of the industrial strategy, the Government are committed to making the most of the UK's strengths, so we can be at the forefront of emerging technologies and industries in the years ahead.

The aerospace sector is a leading industrial sector for the UK with particular strengths in the design, manufacture and support of wings, engine as well as advanced systems such as landing gear and cockpit technologies. These activities are an undoubted strength of our economy; indeed, they are at the heart of the nation's competitive advantage.

Sector deals are an extension of the Government's close partnership with sectors such as aerospace and we are building on this through the aerospace growth partnership with this sector deal to ensure the UK maintains its leading position in the global market. This sector deal signals a joint intention to position the UK at the forefront of valuable emerging markets. It will do this by:

boosting innovation through a joint industry and government investment in the future flight challenge, with up to £125 million of funding from the industrial strategy challenge fund, which industry will match. This programme will invest in developing demonstrators of new aircraft (such as drones and other electric aircraft), new models of airspace management, new approaches to ground support infrastructure and new markets for aircraft in local areas.

expanding the successful national aerospace technology exploitation programme with joint funding from government and industry to boost research and development projects led by small and medium sized enterprises (SMEs).

supporting SMEs in the UK aerospace supply chain to boost their competitiveness through a new productivity improvement programme.

committing the industry to embed a women in aviation and aerospace charter to increase diversity and inclusion in the sector.

enhancing the joint working between the aerospace industry and education providers to ensure a strong future pipeline of talented people are available to ensure the UK aerospace sector remains globally competitive.

The aerospace growth partnership has seen us work with industry to tackle barriers to growth, boost exports, and sustain high value jobs across the breadth of the UK. Together we have taken action to develop and implement initiatives to drive innovation, develop new product and manufacturing technologies, and to increase productivity. The sector deal is a key milestone in this relationship. It will position the industry for the future by developing new capability in exciting developments in air transportation for people and goods through the introduction of more electric and autonomous systems.

The aerospace sector has a turnover of £34.9 billion, directly employing 120,000 people, with productivity growth rates of 5% year on year. But we are not complacent. This deal will build on our strengths and set the industry on course for future success.

I will be placing a copy of the document in the Libraries of both Houses.

[HCWS1147]

DIGITAL, CULTURE, MEDIA AND SPORT

Heritage Statement: One Year On

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Michael Ellis): I am today publishing a “Heritage Statement: One Year On”. This document seeks to provide an update to the heritage statement of December 2017, and also builds on the 2016 Culture White Paper.

The heritage statement was created with the aim of linking the heritage agenda to our wider agendas and strategies for industry, for regeneration and place-making, for skills, for the environment, and for an internationalist, outward-looking Britain. It applies to England only, except where it relates to international issues and UK-wide policies and programmes.

The “One Year On” statement outlines the progress we have made since the heritage statement was published in 2017. In the last year, the heritage sector has gone from strength to strength, and we in Government recognise our shared heritage is the inheritance of all UK subjects.

This update seeks to outline the progress we have made, and areas where we will seek to deliver further change over the months to come.

The “Heritage Statement: One Year On” is available on gov.uk.

[HCWS1158]

EXITING THE EUROPEAN UNION

Citizens’ Rights

The Secretary of State for Exiting the European Union (Stephen Barclay): Citizens have always been our priority in the negotiations for our departure from the EU. The withdrawal agreement will provide certainty to around 3 million EU citizens in the UK and almost 1 million UK nationals in the EU, enshrining their rights in international law. The Government are clear that the reciprocal deal with the EU as set out in the withdrawal agreement is the only way to fully protect the rights of both UK nationals in the EU and EU citizens in the

UK. The withdrawal agreement gives these citizens certainty that they can go on living their lives broadly as now.

Today, the UK Government are demonstrating their continued commitment to put citizens first. The “Citizens’ Rights—EU citizens in the UK and UK nationals in the EU” policy paper sets out the details of our offer to EU citizens in the UK in the unlikely event of a no-deal scenario, removing any ambiguity over their future.

Without the withdrawal agreement, the UK Government cannot guarantee the rights of the 1 million UK nationals living in the EU. I am therefore urging the EU and member states to reciprocate this offer and protect the rights of UK nationals resident in the EU in a no-deal scenario. I am pleased that some countries are already taking steps to do so. I have instructed ambassadors and heads of missions to raise this with their host Governments.

In an unlikely no-deal scenario the Government are committing to protect the rights of EU citizens and their family members resident in the UK by 29 March 2019, so that they can continue to work, study and access benefits and services on the same basis as now.

As there would be no agreed implementation period, EU citizens and their family members resident here by 29 March 2019 would have until 31 December 2020 to apply for a status under the EU settlement scheme. The process will be simple and streamlined.

Without the reciprocity provided for by the withdrawal agreement, we have decided in a small number of important areas that it is appropriate that the rights of EU citizens are brought in line with those of UK nationals, to bring fairness back into our immigration system. For example, in respect of rights to family reunification, we plan that EU citizens resident here by exit day would be able to be joined in the UK by their existing close family members, such as a spouse, under existing EU law, until 29 March 2022, after which point the future UK immigration rules would apply to such family reunion.

The Government recognise the uncertainty UK nationals in the EU will face in a no-deal scenario. The UK cannot act unilaterally to protect all of the rights of UK nationals in the EU, which is why we have always prioritised reaching a reciprocal agreement with the EU and why the deal we have negotiated is the best way forward. However, where it is in our control, we will support UK nationals through this unlikely outcome, such as through bilateral arrangements on healthcare, as reflected in the recently introduced Healthcare (International Arrangements) Bill.

If UK nationals in the EU were unable to continue to live their lives in the EU as they do now in a no-deal scenario and returned to the UK to live, there are a number of steps the Government would consider to address concerns that they have raised. This includes access to healthcare, education, benefits, and housing. We recognise that these would be an important part of a transition back to life in the UK.

We will continue to provide updates to UK nationals in the EU on gov.uk and through our network of embassies, consulates and high commissions. The Government will continue to press the EU and member states to reciprocate this offer and secure these rights as soon as possible for all UK nationals in the EU.

Let me reiterate that the withdrawal agreement is in the mutual interest of all our citizens. It is the only way for the Government to guarantee the rights of UK nationals in the EU.

I will be depositing the policy paper “Citizens’ Rights—EU citizens in the UK and UK nationals in the EU” in the Libraries of both Houses.

[HCWS1152]

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs Council

The Minister for Europe and the Americas (Sir Alan Duncan): The Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for South West Surrey (Mr Hunt), will attend the Foreign Affairs Council (FAC) on 10 December. It will be chaired by the High Representative of the European Union (EU) for Foreign Affairs and Security Policy (HRVP), Federica Mogherini, and will take place in Brussels.

Venezuela

Ministers will discuss the European External Action Service (EEAS) proposal for an international contact group (ICG) on Venezuela. The ICG would aim to act as a catalyst for an international process towards a solution to the ongoing Venezuelan crisis. The Council will also seek to agree a joint EU response to President Maduro’s re-inauguration on 10 January; the EU strongly criticised the conduct of the presidential elections that were held in May 2018.

Western Balkans

Ministers will discuss the political situation in the western Balkans, focusing on progress towards implementation of the Prespa agreement on Macedonia’s name deal, the EU-facilitated dialogue on Serbia-Kosovo and post-election Government formation in Bosnia and Herzegovina.

EU-African Union co-operation

Ministers will discuss EU-African Union co-operation ahead of an EU-AU ministerial meeting that will take place in January; the recently announced EU-Africa alliance will be the main focus of this meeting. The alliance has ambitious goals, including on investment and job creation. The UK will support the EU’s ambition to develop the partnership with Africa as this is in line with UK’s strategic approach to the continent.

Ukraine

The Ukrainian Foreign Minister will join EU Ministers to discuss the recent Russian aggression in the Black sea and the support he might expect from the EU. The UK will reiterate the need for collective messaging to Russia and for the urgent release of the detained crew and vessels. Russian action is a further example of its ongoing violation of Ukraine’s sovereignty and territorial integrity. The UK will reaffirm its support to Ukraine, for the right of free passage in the Kerch strait, and will welcome assurances from President Poroshenko that the martial law imposed across 10 regions will not be used to restrict individual rights.

Iran

We are expecting a wide-ranging, strategic discussion, covering the joint comprehensive plan of action (JCPoA), regional issues, ballistic missiles, and hostile Iranian activity in Europe. We will continue to emphasise that we remain committed to the JCPoA, including continued sanctions relief through the special purpose vehicle, for as long as Iran remains in compliance with its nuclear commitments under the deal. We will also underline that this commitment will not prevent us from taking action on other areas of concern such as Iran’s destabilising regional and ballistic missile activity. The discussion may also focus on the need to tackle the shared challenge of recent threats to European security.

Council conclusions

The Council is expected to adopt conclusions on the EU strategy on India, Burma, women peace and security and Libya.

[HCWS1153]

HEALTH AND SOCIAL CARE

Clinical Negligence Indemnity Cover

The Parliamentary Under-Secretary of State for Health and Social Care (Steve Brine): Today, the Department of Health and Social Care is launching a consultation seeking the public’s views on the regulation of clinical negligence indemnity cover. All regulated healthcare professionals are required to hold appropriate clinical negligence cover for the risks of their practice, covering the costs of defending clinical negligence claims and damages awarded to patients. This is a condition of registration in the UK for all regulated healthcare professionals, and in the case of medical practitioners, a condition of licence under s.44C of the Medical Act 1983.

The current state-backed clinical negligence scheme for trusts provides cover for professionals working in NHS trusts, and it is anticipated that a future state-backed scheme will provide clinical negligence indemnity cover for NHS general practice in England. The Secretary of State announced his intention to develop the scheme in a written ministerial statement on 12 October 2017, *Official Report*, column 27WS. The Welsh Government are also planning to introduce a state-backed scheme for general practice indemnity.

Regulated healthcare professionals who are not covered by state-backed indemnity schemes are indemnified either through membership of a discretionary indemnity provider, such as a medical defence organisation, or by holding contracts of insurance with commercial insurers. Discretionary indemnity providers are not subject to financial conduct or prudential regulation.

The consultation will consider whether regulated healthcare professionals who will not be covered by any state-backed scheme should continue to be permitted to hold unregulated discretionary indemnity cover.

The Government’s objectives are to ensure patients’ access to appropriate compensation in the unfortunate event of them suffering physical injury as a result of clinical negligence, and that healthcare professionals hold stable and sufficient cover enabling the costs of

legitimate claims to be met. This will provide regulated healthcare professionals with greater clarity and confidence about the security and terms of their cover.

The consultation will be open for 12 weeks. Following consideration of responses to this consultation, if the Government are minded to introduce regulation, the Department will consult on the options for such regulation. I will inform the House of the Government's response to the consultation when it is completed.

[HCWS1150]

Mental Health Act: Independent Review (Final Report)

The Secretary of State for Health and Social Care (Matt Hancock): "Modernising the Mental Health Act: Increasing choice, reducing compulsion", the final report of the independent review of the Mental Health Act, has been published today.

The Government committed in their manifesto to reform mental health legislation. As a first step towards this, the Prime Minister asked Professor Sir Simon Wessely to chair a full and independent review of the Mental Health Act 1983. We welcome this report, and would like to thank Sir Simon and his vice chairs for their achievement in setting out a set of recommendations that have the overall purpose of increasing patient rights and improving the way the Act works for people.

I can confirm that the Government will consider the report and its recommendations in detail, and will respond in due course. Our intention remains to reform mental health law and so the Government will develop and bring forward legislation when parliamentary time allows.

I can today accept two of the report's recommendations, which both highlight the review's focus on increasing the rights and autonomy of patients:

the establishment of new statutory advance choice documents (ACDs), so that people's wishes and preferences can carry far more legal weight. These would enable people to express preferences on their care and treatment, to help ensure that these preferences are considered by clinicians, even when the person may be too ill to express themselves.

ensuring that people have a say in which relative has power to act for them, through the creation of a new role of nominated person, to be chosen by the patient, rather than allocated to them from a list of relatives. This person would have enhanced powers in their role; both to be informed about the person's detention in hospital and to be involved in decisions made about their care.

The report is available at:

<https://www.gov.uk/government/groups/independent-review-of-the-mental-health-act>.

I have deposited a copy of the report in the Libraries of both Houses.

[HCWS1149]

HOME DEPARTMENT

Immigration Rule Changes

The Minister for Immigration (Caroline Nokes): The Secretary of State for the Home Department, my right hon. Friend the Member for Bromsgrove (Sajid Javid), will shortly be laying before the House a statement of changes in immigration rules.

The Government are clear that entrepreneurs play a key role in creating jobs and driving economic growth, which is vital to the prosperity of the UK. In June of this year, we announced a new start-up visa route. This will build upon the successes of the current tier 1 (graduate entrepreneur) route, expanding it to ensure that the UK can benefit from a wider pool of overseas talent looking to establish new businesses in the UK. Applicants will be endorsed by either a business or higher education institution sponsor.

We are announcing that we will build on this offer further by introducing a new innovator route, for more experienced business people. This will replace the current tier 1 (entrepreneur) route and have a similar emphasis on endorsement by a business sponsor, who will assess applicants' business ideas for their innovation, viability and scalability.

Alongside this, we will reform our tier 1 (investor) route.

These reforms will be introduced in the spring and will ensure the UK remains a world-leading destination for investment and innovation. We will shortly be publishing a statement of intent setting out the details of how the reformed routes will work and I will place a copy in the Library of the House.

We are also introducing wider changes through these immigration rules which demonstrate our commitment to supporting talented leaders in their fields, and promising future leaders, coming to the UK under the tier 1 (exceptional talent) route. The changes will expand this route to provide for a route of entry for leading architects endorsed by the Royal Institute of British Architects, under the remit of Arts Council England (ACE). This change builds upon other reforms to the route earlier this year, including doubling the number of places available, providing for faster settlement to existing leaders in their fields endorsed under this route, and expanding the route to leading fashion designers, also endorsed under the remit of ACE. We will continue to work closely with our partners in this route to attract more leading international talent to the UK.

More broadly, the changes also include a number of minor, more technical changes to our tier 1 and tier 2 routes for highly skilled workers. These changes will be made to ensure the immigration rules remain up-to-date and for consistency purposes.

The Government greatly value the roles played by our charities and religious institutions and those who wish to come to the UK to contribute to these organisations are extremely welcome. However, there are some issues with the routes as they currently operate.

Our immigration system makes specific provision for both ministers of religion and those coming as religious workers. This distinction between the two roles reflects the importance we place on our faith leaders speaking English to a high standard, while at the same time still permitting other members of religious communities to contribute to the UK in non-pastoral roles.

While it is not the intention of the tier 5 religious workers route, our current rules could permit religious workers to perform roles, that include preaching and leading a congregation, without first being required to demonstrate that they speak English to an acceptable standard. To address this, we are prohibiting tier 5 religious workers filling roles as ministers of religion

and direct them instead to do so through the correct tier 2 minister of religion sub-category. This will require ministers of religion to demonstrate a strong command of English and ensure they can interact with the community around them.

The tier 5 arrangements for religious workers and charity workers have always been intended to provide for only limited periods of residence in the UK of up to two years. We have however seen instances of migrants in these categories repeatedly applying for consecutive periods of leave, in effect achieving ongoing residency in the UK. We will therefore introduce a “cooling off period”, preventing tier 5 religious worker and tier 5 charity worker visa holders from returning to the UK, via these immigration routes for 12 months after their visa expires. This change ensures that we will continue to welcome those coming to make a contribution to our religious and charity organisations, while at the same time underpinning the Government’s intention that these are temporary routes.

On 6 September the Home Secretary issued a written ministerial statement (HCWS940), *Official Report*, column 15WS, announcing the introduction of a new pilot scheme for 2019, enabling non-EEA migrant workers to come to the UK to undertake seasonal employment in the horticultural sector. These amendments will set out the legislative framework for introducing this pilot.

This small-scale pilot will test the effectiveness of our immigration system at alleviating seasonal labour shortages during peak production periods, while maintaining robust immigration control and ensuring there are minimal impacts on local communities and public services.

The organisations chosen to fill the role of scheme operators for this pilot have been selected following a fair and open selection process, undertaken by the Department for Environment, Food and Rural Affairs.

The formal date of implementation for this pilot will be announced in due course.

[HCWS1159]

JUSTICE

Judicial Conduct Investigations Office

The Lord Chancellor and Secretary of State for Justice (Mr David Gauke): With the concurrence of the Lord Chief Justice, I will today publish the 12th annual report of the Judicial Conduct Investigations Office (JCIO), formerly known as the Office for Judicial Complaints.

The JCIO supports the Lord Chief Justice and the Lord Chancellor in our joint statutory responsibility for judicial discipline.

The judiciary comprises approximately 23,000 individuals serving across a range of jurisdictions. Over the past year, the JCIO received 2,147 complaints against judicial office holders. A total of 39 investigations resulted in disciplinary action. The JCIO did not meet two of its three key performance indicators, which was attributable to the challenges faced by a high turnover of staff.

I have placed copies of the report into the Libraries of both Houses, the Vote Office and the Printed Paper Office. Copies are also available online at:

<https://judicialconduct.judiciary.gov.uk/reports-publications/>.

[HCWS1156]

Personal Injury Discount Rate

The Lord Chancellor and Secretary of State for Justice (Mr David Gauke): The Ministry of Justice is today publishing “Setting the Personal Injury Discount Rate: A Call for Evidence”. This call for evidence is intended to obtain evidence to inform the first review of the personal injury discount rate under the Civil Liability Bill. The call will remain open for eight weeks.

I have placed a copy of the call for evidence in the Libraries of both Houses.

[HCWS1155]

TRANSPORT

Sector Deal

The Parliament Under-Secretary of State for Transport (Andrew Jones): As part of the industrial strategy, the Government committed to making the most of the UK’s strengths and to develop the infrastructure necessary to support this. The UK’s rail network supports people getting to work and training opportunities every day, enables businesses to access the talent they need to grow, and moves goods across the country and to our ports and airports.

The aim of this sector deal is to develop new, digital capabilities to support the railway in becoming an even stronger driver of economic growth and opportunity.

Sector deals bring the industry and the Government together in partnership to boost the productivity and earning power of specific sectors. The rail sector deal struck today follows ambitious sector deals with the life sciences, automotive, construction and artificial intelligence sectors.

The Government and rail industry have come together to agree a plan to increase efficiency, improve journeys and increase the sector’s capability to trade internationally. The deal was developed through close engagement with the UK’s world-class consulting engineering sector and wider rail supply chain, and with backing from the major train manufacturers in the UK. This engagement from the industry has been led by the rail supply and delivery groups, both of whom will be fundamental to delivering these ambitions.

The deal contains mutual commitments that will encourage innovation to improve passenger experience, provide the confidence necessary for investment in capital and skills, while reducing the cost to the taxpayer of state-of-the-art digital rail control systems. Furthermore, the deal, through collaboration between train manufacturers and those providing services and running the network, will provide a common data platform. This will enable businesses to access highly useful data held within the industry in order to develop services and products to meet passengers’ needs. This deal also includes a pilot programme in the midlands to attract further diversity and skills into our growing railway, supported by the midlands engine, LEPs and other regional partners.

This deal will support the rail industry into the next phase of its development as a world-leading industry. I will place a copy of the document in the Libraries of both Houses.

[HCWS1148]

WALES

Welsh Regional Government

The Secretary of State for Wales (Alun Cairns): On March 2017, the Government reached agreement with the Welsh Government and the four local authorities on a heads of terms city deal for the Swansea Bay city region to bring almost £1.3 billion of investment to the region, which is expected to create in excess of 9,000 jobs.

Since this time good progress has been made on developing a number of the projects within the overall deal programme. However, with no individual business

cases yet approved I have today commissioned a joint independent review with the Welsh Government which will underpin the next phase of delivery.

This review will be independently led and will report to both the UK and Welsh Governments. It will consider a range of factors to provide a stocktake on progress to date as well as assurance that all elements of the deal are on track to deliver the full economic benefits of this ambitious programme. It will also consider matters of due diligence and governance, to ensure that oversight and compliance are robust. Its recommendations will inform future decisions on the release of Government funding as well as providing potential private investors with additional confidence across the deal as a whole.

Work on further developing individual projects will continue in parallel with the review.

[HCWS1157]

Ministerial Correction

Thursday 6 December 2018

WORK AND PENSIONS

Carer's Allowance Overpayments

The following is an extract from a debate in Westminster Hall on Carer's Allowance Overpayments on 27 November 2018.

Justin Tomlinson: We suspect that the estimate of 5.5% fraud and error, which was set in 1996-97, does not reflect the reality today. The new measure, which will come in next year, can accurately set out where we

should be, and where we should then target and prioritise our resources to prevent, identify and counter fraud and error even more effectively and efficiently.

[Official Report, 27 November 2018, Vol. 650, c. 71WH.]

Letter of correction from the Under-Secretary of State for Work and Pensions, the hon. Member for North Swindon (Justin Tomlinson).

An error has been identified in my response to the debate.

The correct response should have been:

Justin Tomlinson: We suspect that the estimate of 5.5% fraud and error, which was set in 1996-97, does not reflect the reality today. The new measure, which will come in **2020**, can accurately set out where we should be, and where we should then target and prioritise our resources to prevent, identify and counter fraud and error even more effectively and efficiently.

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MINISTERIAL CORRECTION

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**not later than
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