

## House of Lords debate on European Union (Notification of Withdrawal) Bill, 21 February 2017

5.35 pm

Lord Owen (Ind SD)

My Lords, yesterday the noble Lord, Lord Hennessy, talked about the historical freight that this legislation carries. It carries a great deal, but it also carries the historical freight of referendums which have been coming into this country's democracy for some years. We have barely mentioned 1975, but that was also a time when the country had the chance to leave or to stay, and it chose to stay. Broadly speaking, that decision has lasted until the present. There was an attempt at one time, which was finished by the election of 1983, to come out without a referendum despite a referendum's having been given eight years earlier. That failed.

I will not say any more about this, but the speech of the noble Lord, Lord Kerr, did not mention the referendum. You cannot face this issue and ignore the decision of the referendum, but equally, you cannot talk about a United Kingdom without being aware that a substantial number of people did not vote for it and, in my view, tragically, we were split in Scotland, though not in my own nation, Wales. We have to take account of those divisions as we approach this next and most crucial stage.

One of the issues of a referendum is that you do not have manifestos about what you are going to do. You have referendums because political parties are split. What you do is charge the Government of the day with negotiating on behalf of the whole country. I believe this Government have tried to do this. It is right that we are having a debate now; it should probably have been conceded straightaway. Nevertheless, it was impossible, given that no preparation whatever had been made for this referendum by the previous Prime Minister, for the present Prime Minister to take time to look carefully at all the detailed issues and be in a position to negotiate. The Secretary of State for Exiting the European Union wisely said on 2 February that,

“once we are outside the EU, the question of whether we automatically cease to be a member of the EEA becomes a legal empty vessel. We will look at that. If we do propose to withdraw from the EEA, we will come back and tell the House”.—[Official Report, Commons, 2/2/2017; col.

1227.]

It seems to me that that indicates a flexibility we all need. We have to be flexible on many things. We need to come out of the EU as quickly as we can, and I would not wait two years to do this. That is the fundamental decision as I understand it, and which I believe is virtually irrevocable as the result of the referendum.

How we handle the next few years is a very difficult question. It is becoming apparent that negotiating a trading agreement with the EU is going to be very difficult. The noble Lord, Lord Lawson, said that he thought it was virtually impossible. It will take far longer than it should and far longer than I would want. Therefore, there has been a growing recognition that there has to be a transitional period, but that transition should be after we have gone from the EU and before we have a trading agreement. In that area, there are flexibilities that we should be examining. Of course, we must first talk, as we are bound to do under Article 50, to the 27 EU member states—our friends with whom we will, as Europeans, be working in many, many fields for decades to come.

We should also talk to our other European friends—the non-EU members of the EEA. This House does not seem to understand that there is a huge difference between the single market and the EEA. There are two quite different tracks within the EEA, apart from anything else. It is beholden on us to talk to those members, and it is necessary for us to see whether a transition period could be put in place that would give us time to get what we need, and that is a trading agreement. The Government hope that it can be done by a bespoke agreement, and they have established areas in which they think they might be able to achieve this. I very much doubt whether that will be easily given, and certainly not in a short timescale.

All this time, we face a world in a fragile state, an extremely fragile European economy—look at what is happening to Greece as we talk—a dysfunctional EU that is unable to grapple with the problems of the Eurozone, and a financial situation that could get worse at almost any time over the negotiating period. Therefore, we should stage these negotiations; most negotiations actually are staged. Often, it is best to take the most difficult issues first. That is the one on which we have the clearest mandate: to come out of the EU. As to how we handle the transition period, there are flexible ways of dealing with it: it will be negotiated, but we do not know the details. As the Minister said, if they do propose to withdraw from the EEA, they will come back and tell us.

Why do I stress the EEA? The EEA has nothing to do with ever-closer union: it is an economic arrangement. There are separate surveillance mechanisms that are outside the European Court of Justice. They are also outside foreign trade, fishing and many other different aspects. It is a very different mechanism and it must be looked at, because it might be a mechanism for healing some of the wounds and for gathering a higher percentage of people in support of a policy of coming out of the EU. That must be our objective.

It is certainly not our objective to “rise up”. I hope nobody else goes to Bloomberg to make speeches. The reason we are in this mess is the speech by the former Prime Minister, David Cameron, and now we have another past Prime Minister going to Bloomberg to tell the people to “rise up”. What we need is unity, the maximum unity possible.