

## **Children in Wales – Eisteddfod lecture**

Thank you very much for the invitation to speak to you this afternoon, in what is becoming an annual Eisteddfod update about Brexit.

Particular thanks, of course, go to Children in Wales for organising this event, and for its on-going work to ensure the voice of children and young people are heard in this debate.

In previous years, I've tried to highlight those Brexit developments which will particularly impact those who will live tomorrow with the decisions being made today about Brexit.

I hope to do that again this afternoon. But the developments in Brexit have been so significant since we met last in Ynys Mon - and their implications for all our futures are so serious – that I want to focus more on the general picture.

Those of you who have had to sit through them will know that Ministerial speeches are often relatively cautious affairs, with a great deal of on-the-one-hand-this and on-the-other-that woven into them.

I don't want to do that today.

This is much more my own view about where we are and where we might be about to go as far as Brexit is concerned.

It is inevitably personal and partisan.

Because there is so much which could be said, and much which will have to be left out, I've organised what I have to say into the top 10 Brexit points, which seem to me to shape this ever-changing agenda, as we see it in August 2018.

1. Brexit, however it happens, will be an act of self harm.

Even the best of Brexits will leave Wales and the rest of the UK poorer than we would otherwise have been. Our influence in the world will be diminished and our security less certain.

2. My second point, however, is that this harm can either be intensified or reduced, depending on the way we leave the EU.

Try as I might, I remain unable, at this point, to see a credible way to reversing Brexit. But others here may disagree.

For the time being, the Welsh Government is focused on the form, rather than the fact of Brexit. Wherever we have the opportunity, we are arguing for a Brexit which protects Welsh jobs, Welsh businesses and Welsh public services.

3. In the meantime, my third conclusion is that the harm of Brexit has already started to happen.

Sober economists estimate that the UK economy is already 2% smaller than it would have been, if we had decided to stay in the EU. This represents a loss of around £900 for every household in the UK.

This means that tax paid to the Treasury is lower and there is less money available for public services at a time when austerity means more money is urgently needed.

4. My fourth point is that the impact of Brexit is already being felt in people's everyday lives.

The price of Brexit internationally is reflected in the continuing devaluation of the pound. That is how investors around the world take into account our

declining economic prospects. That devaluation works its way into inflation and higher prices at the till for families in Wales.

If families are trying to manage on welfare benefits which have been frozen, then the very conditions which created Brexit in the first place – the sense of being cut off from the mainstream and being abandoned to bear the burden of austerity alone – are being intensified.

5. My fifth conclusion is that the prospects of a no deal Brexit have intensified significantly and are a good deal higher than they were when we last met in the National Eisteddfod a year ago.

The recklessness of the hard line Brexiteers in both the UK Government and the Conservative Party is increasing as we get closer to March 29, 2019.

I don't believe this is the position of the Prime Minister or of those Ministers who signed up to the Chequers White Paper.

But Mrs May's ability to negotiate a sensible Brexit is being undermined every day – not, as the right-wing press would have you believe by the stubbornness of the European Union, but by the extremists in her own party.

6. And, while all this goes on, my next point is that the focus on a no deal Brexit risks becoming a self-fulfilling prophecy, in which the UK Government talks us into the very position it says it is determined to avoid.

There will be people in this audience who remember that very fine historian A.J.P. Taylor, who argued that the First World War was caused by the railway timetables of Europe.

He said that once the carriages had been set moving, nobody could stop them from rolling relentlessly to their destination – even when everyone might agree that the destination spelled disaster.

History never repeats itself exactly but the centenary year of the end of the Great War, there is a real danger that an unstoppable momentum is being created for a no-deal Brexit – an outcome which would be catastrophic for Wales and for the rest of the UK.

7. Does it have to be that way? Well, my seventh conclusion is that we have not yet reached the tipping point.

I continue to believe the most likely outcome remains an agreement, however fudged, which will take us into the transition phase, which was agreed in March. Many of the most difficult issues will probably have to be resolved in this period of extra time.

A different problem arises here. The splits and schisms in the Conservative party are leading more and more commentators to conclude that, whatever deal the Prime Minister concludes in the autumn, she will not be able to find a majority for it in the House of Commons – let alone the House of Lords.

8. My eighth conclusion – or, more accurately now, my prediction – is that the real roadblock to a deal lies not in Europe but in London.

It is far from inevitable that a majority cannot be cobbled together in the Commons when the chips are down. But let us make an assumption that the commentators are right and that a majority cannot be found for any form of Brexit.

This is where a second decision-making point arrives.

It seems to me that the decision can be discharged in a number of ways. But it is best not to be too definitive about how this might happen as we won't know the circumstances in detail until later in the year.

Here are three ways in which a fundamentally important decision about our shared futures might be made, in the event that the UK Government cannot get its deal through its Parliament.

First of all, the House of Commons might take charge. This is the view, for example, of Hilary Benn, the chair of the Brexit Select Committee – the power will shift from the executive to the legislature and Parliament will draw up a new set of objectives for negotiation and send the government off to try again.

Personally, while I can see that a Parliamentary majority could be secured for such a new mandate, I think it is more difficult to see where the government, which will be instructed, comes from.

Secondly, there could be a referendum on the deal – the so-called People’s Vote.

I continue to have real reservations about referendums as a way of making these major decisions. Remember what happened in the last one!

I also think that we would have to be prepared for a bitterly divisive campaign, in which the lies and distortions of 2016 will pale into insignificance faced with what the hard-line Brexiteers and their media allies will be prepared to do if they believe that the vote might go against them.

While I don’t think we should rule this out, I think a very long and clear-headed stare is needed at a second referendum before that becomes the course of action adopted.

Thirdly, a collapsed House of Commons could – and I believe should – result in a General Election. Of the three ways in which an autumn deadlock might be resolved, this is the one I currently prefer.

But the Fixed Parliaments Act means this could be hard to bring about. A lot of Tory Turkeys would have to vote for Christmas for this to happen. As we know, Christmas doesn't come around that often.

9. On now, you'll be glad to hear, to my penultimate point: however this autumn decision is made, is there a destination available which would offer a way through at that very late point in the process?

I know I've been very short on optimism this afternoon, so let me offer something more positive near the end.

I believe that a new government, or even an existing government with a new mandate, or a People's Vote which led to a different conclusion, could all lead to a pause in the current Article 50 process.

I also believe that our partners in the European Union would help us find a pragmatic way to bring that about.

In this space, a new form of Brexit could be negotiated, beginning, perhaps, with the idea of a comprehensive Association Agreement promoted by the European Parliament.

We do not have time this afternoon to fill in the detail of such an Agreement, but it does, I believe, offer a route to leaving the EU while preserving as much as possible of the relationship we have built up with Europe over 40 years, while limiting the economic damage.

It also provides for continuing political arrangements in which the UK has real influence, short of the power of membership, and leaves open the possibility of even closer relationships in the future.

10. Finally, I'm afraid, I return to the challenges of Brexit, and to the challenge to the future of the United Kingdom itself.

We are, of course, anything but united.

Scotland and Northern Ireland voted to remain in the European Union.

The winner-takes-all approach to the 2016 referendum continues to leave half the population feeling that their views have been ignored, while the other half are taught the language of betrayal at anything short of the harshest of Brexits.

This all means that the future of the United Kingdom is in greater peril today than at any time in my political lifetime.

Whatever happens in the autumn and in March next year, the time and the political energy will have to be found to bind the wounds which Brexit threatens to open beyond repair.

The future which Brexit leaves for the children and young people of Wales is even more complex and fraught with difficulties than we imagined when we met in the immediate aftermath of the referendum in Monmouthshire and against last year in Ynys Mon.

Let us hope that when we meet again in 12 months' time, some of the clouds, which seem so close today, will have evaporated and that a way through the dangers I have set out today have been navigated with the skill and the care which they undoubtedly require.

In the meantime, thank you for listening.