

Oral statement to Parliament

PM Commons statement on the result of the EU referendum: 27 June 2016

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Prime Minister David Cameron gave a statement in the House of Commons on the result of the EU referendum.



With permission, Mr Speaker, I would like to make a statement on the result of the EU referendum.

Last week saw one of the biggest democratic exercises in our history with over 33 million people from England, Scotland, Wales, Northern Ireland and Gibraltar all having their say.

We should be proud of our parliamentary democracy. But it is right that when we consider questions of this magnitude, we don't just leave it to politicians but rather listen directly to the people. And that is why Members from across this House voted for a referendum by a margin of almost 6 to 1.

Mr Speaker, let me set out for the House what this vote means, the steps we are taking immediately to stabilise the UK economy, the preparatory work for the negotiation to leave the EU, our plans for fully engaging the devolved administrations and the next steps at tomorrow's European Council.

Mr Speaker, the British people have voted to leave the European Union (<https://www.gov.uk/government/speeches/eu-referendum-outcome-pm-statement-24-june-2016>). It was not the result I wanted – nor the outcome that I believed is best for the country I love. But there can be no doubt about the result.

Of course, I don't take back what I said about the risks. It is going to be difficult. We have already seen that there are going to be adjustments within our economy, complex constitutional issues, and a challenging new negotiation to undertake with Europe. But I am clear – and the Cabinet agreed this morning – that the decision must be accepted and the process of implementing the decision in the best possible way must now begin.

At the same time, Mr Speaker, we have a fundamental responsibility to bring our country together. In the past few

days we have seen despicable graffiti daubed on a Polish community centre. We've seen verbal abuse hurled against individuals because they are members of ethnic minorities. Let's remember these people have come here and made a wonderful contribution to our country. And we will not stand for hate crime or these kinds of attacks. They must be stamped out.

Mr Speaker, we can reassure European citizens living here, and Brits living in European countries, that there will be no immediate changes in their circumstances. Neither will there be any initial change in the way our people can travel, in the way our goods can move, or the way our services can be sold. The deal we negotiated at the European Council in February will now be discarded and a new negotiation to leave the EU will begin under a new Prime Minister.

Turning to our economy, it is clear that markets are volatile, there are some companies considering their investments and we know this is going to be far from plain sailing. However, we should take confidence from the fact that Britain is ready to confront what the future holds for us from a position of strength.

As a result of our long-term economic plan, we have today one of the strongest major advanced economies in the world and we are well placed to face the challenges ahead. We have low, stable inflation. The employment rate remains the highest it has ever been. The budget deficit is down from 11% of national income, forecast to be below 3% this year. The financial system is also substantially more resilient than it was 6 years ago, with capital requirements for the largest banks now 10 times higher than before the banking crisis.

The markets may not have been expecting the referendum result but, as the Chancellor set out this morning, (<https://www.gov.uk/government/speeches/statement-by-the-chancellor-following-the-eu-referendum>) the Treasury, the Bank of England and our other financial authorities have spent the last few months putting in place robust contingency plans. As the Governor of the Bank of England said on Friday, (<http://www.bankofengland.co.uk/publications/Pages/news/2016/056.aspx>) the Bank's stress tests have shown that UK institutions have enough capital and liquidity reserves to withstand a scenario more severe than the country currently faces. And the Bank can make available £250 billion of additional funds if it needs to support banks and markets.

In the coming days, the Treasury, the Bank of England and the Financial Conduct Authority will continue to be in very close contact. They have contingency plans in place to maintain financial stability – and they will not hesitate to take further measures if required.

Turning to preparations for negotiating our exit from the EU, the Cabinet met this morning and agreed the creation of a new EU unit in Whitehall. This will bring together officials and policy expertise from across the Cabinet Office, Treasury, Foreign Office and Business Department.

Clearly this will be most complex and most important task that the British Civil Service has undertaken in decades. So the new unit will sit at the heart of government and be led by and staffed by the best and brightest from across our Civil Service. It will report to the whole of the Cabinet on delivering the outcome of the referendum, advising on transitional issues and exploring objectively options for our future relationship with Europe and the rest of the world from outside the EU. And it will be responsible for ensuring that the new Prime Minister has the best possible advice from the moment of their arrival.

Mr Speaker, I know that colleagues on all sides of the House will want to contribute to how we prepare and execute the new negotiation to leave the EU and my Rt Hon Friend the Chancellor of the Duchy of Lancaster (<https://www.gov.uk/government/ministers/chancellor-of-the-duchy-of-lancaster>) will listen to all views and representations and make sure they are fully put into this exercise. He will be playing no part in the leadership election.

Turning to the devolved administrations, we must ensure that the interests of all parts of our United Kingdom are

protected and advanced. So as we prepare for a new negotiation with the European Union, we will fully involve the Scottish, Welsh and Northern Ireland governments. We will also consult Gibraltar, the Crown Dependencies, the Overseas Territories and all regional centres of power, including the London Assembly.

I have spoken to the First Ministers of Scotland and Wales, as well as the First and Deputy First Ministers in Northern Ireland and the Taoiseach, and our officials will be working intensively together over the coming weeks to bring our devolved administrations into the process for determining the decisions that need to be taken.

Mr Speaker, while all of the key decisions will have to wait for the arrival of the new Prime Minister, there is a lot of work that can be started now. For instance, the British and Irish governments begin meeting this week to work through the challenges relating to the common border area.

Mr Speaker, tomorrow I will attend the European Council. In the last few days I have spoken to Chancellor Merkel, President Hollande and a number of other European leaders. (<https://www.gov.uk/government/news/pm-calls-with-president-obama-and-european-leaders-24-june-2016>) We have discussed the need to prepare for the negotiations and in particular the fact that the British government will not be triggering Article 50 (<http://www.lisbon-treaty.org/wcm/the-lisbon-treaty/treaty-on-European-union-and-comments/title-6-final-provisions/137-article-50.html>) at this stage.

Before we do that we need to determine the kind of relationship we want with the EU. And that is rightly something for the next Prime Minister and their Cabinet to decide. I have also made this point to the Presidents of the European Council and the European Commission and I will make this clear again at the European Council tomorrow.

Mr Speaker, this is our sovereign decision and it will be for Britain – and Britain alone – to take. Tomorrow is also an opportunity to make this point: Britain is leaving the European Union, but we must not turn our back on Europe – or on the rest of the world.

The nature of the relationship we secure with the EU will be determined by the next government. But I think everyone is agreed that we will want the strongest possible economic links with our European neighbours, as well as with our close friends in North America, the Commonwealth and important partners like India and China.

I am also sure that whatever the precise nature of our future relationship, we will want to continue with a great deal of our extensive security co-operation and to do all we can to influence decisions that will affect the prosperity and safety of our people here at home.

Mr Speaker, this negotiation will require strong, determined and committed leadership. And as I have said, I think the country requires a new Prime Minister and Cabinet to take it in this direction. This is not a decision I have taken lightly. But I am absolutely convinced that it is in the national interest.

Mr Speaker, although leaving the EU was not the path I recommended, I am the first to praise our incredible strengths as a country. As we proceed with implementing this decision and facing the challenges that it will undoubtedly bring, I believe we should hold fast to a vision of Britain that wants to be respected abroad, tolerant at home, engaged in the world and working with our international partners to advance the prosperity and security of our nation for generations to come.

I have fought for these things every day of my political life and I will continue to do so.

And I commend this Statement to the House.

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