

12 February 2019

Rt Hon John McDonnell, MP
Shadow Chancellor of the Exchequer
House of Commons
London
SW1A 0AA

Dear John

I am writing as the founder of the grassroots Remain Labour campaign. We're an organisation of Labour voters and members who are campaigning for our party to embrace a People's Vote and campaign to Remain in the EU.

Jeremy Corbyn's letter to Theresa May last week set out five demands that must be met if Labour is to support a Brexit deal. We have analysed the economic implications of the terms and as a result, are writing urgently to you as Shadow Chancellor.

Labour's plan set out in the letter to the Prime Minister would cost the economy £24billion per year* and devastate Labour's 2017 manifesto spending plans.

Crucially, the form of words in Jeremy's letter says Labour wants, 'close alignment with the single market'. We have taken this to mean that Labour's policy is to leave the single market. This is despite our motion agreed at conference calling for 'full participation' in the single market.

The 2017 Labour manifesto committed to £44billion per year in extra spending. If we are not members of the single market, the £24bn Brexit hit to the economy will take out more than half of the 2017 spending commitments.

- The cost of scrapping tuition fees is £9bn per year
- The plan to reverse welfare cuts and help those hardest by austerity was £4billion a year

Even if you dropped both of these plans, there would still be an £11bn hole in our finances, risking spending promised on the NHS, schools and childcare. Alternatively, you'd need to raise income tax by an unprecedented 6p in the pound to meet the shortfall.

I'm sure you agree that a £24bn hit to our economy would be a disaster. It would devastate our plans to invest in the country and rebuild our public services, which are so urgently needed after years of Tory cuts.

I hope you agree this analysis proves beyond doubt that there is no good Brexit deal. A Labour Brexit would mean Labour austerity.

Can you please reply to confirm that as Shadow Chancellor you cannot back a plan that will cost our economy £24bn per year?

I hope instead you will now support a People's Vote and campaign to Remain in the EU.

Yours sincerely

Andrew Lewin,

Founder, [Remain Labour](#)

PS

*I have attached a full briefing note that sets out our economic analysis, which is based on a recent study by the London School of Economics (LSE) and Kings College London. Our calculation of a £24bn annual hit to the public finances based on this version of Brexit has been endorsed by economist Jonathan Portes and represents the median level projection - the damage could be even worse.