

Exiting the European Union

Oral evidence: The UK's negotiating objectives for its withdrawal from EU, HC 815

Wednesday 14 December 2016

Ordered by the House of Commons to be published on 14 December 2016.

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Members present: Hilary Benn (Chair); Alistair Burt; Mr Alistair Carmichael; Maria Caulfield; Joanna Cherry; Mark Durkan; Jonathan Edwards; Michael Gove; Peter Grant; Andrea Jenkyns; Jeremy Lefroy; Mr Peter Lilley; Karl McCartney; Mr Pat McFadden; Craig Mackinlay; Seema Malhotra; Mr Dominic Raab; Emma Reynolds; Stephen Timms; Mr John Whittingdale; Sammy Wilson.

Questions 403-526

Witness

[I](#): Rt Hon. David Davis MP, Secretary of State for Exiting the European Union.

Examination of witness

Witness: Rt Hon. David Davis MP.

Q403 **Chair:** Welcome, Secretary of State, to what I am sure will be the first of many appearances before the Select Committee. We have a lot of ground to cover this afternoon so, colleagues, succinct questions and, Mr Davis, succinct answers would certainly be helpful.

I am going to kick off. Following last week's debate in the House of Commons and the motion that was passed, the Government are now going to publish their plan for the negotiations before article 50 is triggered. When can we expect to see that?

Mr Davis: As soon as we can, once all of the research and policy is complete. The reasons for setting the final possible date as 31 March were numerous, but one was the determination to carry out all of the policy work first, to consult properly and then to bring something to Parliament.

Q404 **Chair:** So next month? January? February?

Mr Davis: It won't be next month. The policy work is still under way and there are quite a few decisions still to be made. We are in the midst of carrying out about 57 sets of analyses, each of which has implications for individual parts of 85% of the economy. Some of those are still to be



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concluded. We have work still to be done on justice and home affairs, so there is a fair number of things still to do. It will be as soon as we are ready.

Q405 **Chair:** Can you confirm that when it is published it will be a White Paper?

Mr Davis: Well, what I will say is that we will present the plan. As you will remember from the motion, one of the constrictions in the Government-amended motion, which got through by a majority of 372, was that I should do it in such a way, or the Government should do it in such a way, that it does not undermine our negotiating position. We have got to be very careful about what we publish. I want to be as open as we can be, but we must be sure that we are not undermining our own position.

Q406 **Chair:** With respect, that is to do with the content of it.

Mr Davis: Yes.

Q407 **Chair:** Given that, as was raised in the debate, for a whole load of treaties—indeed when we applied to join in '67—publications of what the Government are trying to achieve have, on many occasions, taken the form of a White Paper, I am trying to understand why it would not be.

Mr Davis: It will be appropriate for the content that we are presenting, that is all. We will decide on the format when we get closer to the time and know exactly what we are going to present.

Q408 **Chair:** Can you confirm that you expect to be sitting opposite Michel Barnier when the negotiations eventually begin, and that you intend them to cover both the divorce arrangements and the new framework for our relationship with the EU?

Mr Davis: Yes.

Q409 **Chair:** The Chancellor said on Monday: "There is...an emerging view among businesses...regulators" and "thoughtful politicians" that it would be "generally helpful" to have "a longer period to manage the adjustment" as we leave the European Union. Can we classify you, Secretary of State, as a thoughtful politician when it comes to transitional arrangements?

Mr Davis: I am not sure about the second qualification. I hope that you can classify me as a thoughtful politician. In that context, let me be clear about where I think we are going. First, as the Prime Minister has said a number of times, and as I have said a number of times, what we are after is a smooth and orderly exit. That is the overarching aim. People get frustrated with us sticking to overarching aims, but the point is that that is what we are trying to do—that is the purpose of at least a part of the tactic and strategy of this. Within that box, we want to get the maximum market access for British companies with the minimum of disruption. So we will do what is necessary to that aim.

Q410 **Chair:** What if all those things cannot be negotiated within the time—it could be 18 months, depending on what view is taken?



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Mr Davis: Mr Barnier said 18 months and I think that it is all negotiable in that time. That is core of this, really. We have got a lot to do— you may have thought that my opening answer wasn't that helpful—but that is one of the reasons why we are taking our time to get prepared on all fronts. That is why our 57 studies cover 85% of the economy—everything except sectors that are not affected by international trade. We are aiming to get ourselves into a position where we can negotiate within the article 50 process. After all, the article 50 process was written to allow departure from the European Union. That is its purpose and plainly the architects of it—the authors of it—thought that it was time enough to do the job, and so do I.

Q411 **Chair:** It is one thing for the Government to think, "We will be organised and ready to do a deal within 18 months," but that may not necessarily be the case for the 27 countries that you are negotiating with. If it is not possible to do it within the 18 months, won't there, out of necessity, need to be transitional arrangements?

Mr Davis: You have been in politics long enough to know that that is a hypothetical question.

Chair: Indeed.

Mr Davis: However, I will do my best to answer it for you even so. A transitional arrangement means many things to different people. The way I saw it from what the Chancellor said, I think the phrase he used was something like that it had been raised with him by "businessmen, regulators and"—as you said—"thoughtful politicians." I think the Treasury added the word "European" to "thoughtful politicians" afterwards, but that is by the by. It seems to me that they are probably talking about some sort of implementation mechanism. Whatever the transitional arrangement is, we need to know where we are going before we decide on a transition. If you build a bridge, you need to have both sides established before you build it. We need to know where we are going. It seems to me that it is perfectly possible to know what the endgame will be in two years.

Q412 **Chair:** So you are not opposed to there being transitional arrangements if, ultimately, they prove to be necessary?

Mr Davis: It depends what you mean by transitional arrangements. The implementation phase of something? If and only if it is necessary, yes. But the thing to understand here is that the British people want this done with some degree of expedition. They want it done properly and soon, and that is what we are trying to do.

Q413 **Chair:** You spoke to the City of London Corporation on 15 November, and what I think they describe as their informal record of those discussions have been published. I don't know whether you have had a chance to read it and comment on it, but it was indicated that at that point you were not particularly interested in the arrangements, but you were reported to have said that if the EU wanted them you would be inclined to "be kind" to them. Do you think they are more likely to want transitional arrangements?



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Mr Davis: Two things, Chairman. First, I sometimes burst out laughing when I read what I'm supposed to have said in certain circumstances—it is a syndrome you will recognise as well as me, I think—so I never comment on that sort of gossip. I never comment on that. I think the substance of your question was not the commentary or the gossip. What was the substance?

Q414 **Chair:** As I understand it, it was their record of the conversation they had with you, which is rather different from gossip, but anyway I asked whether you think the other 27 might wish to have a transitional arrangement.

Mr Davis: It doesn't correlate with either the Government's position or mine.

Q415 **Chair:** You have made that very clear. Do you think the 27 might be interested in transitional arrangements?

Mr Davis: They may. As the Chancellor said, his group of people was businessmen, regulators and he said thoughtful—I think he meant "thoughtful European"—politicians.

Mr Lilley: And all civil servants.

Mr Davis: That may be true—I don't think that's true.

Chair: Well, that is true, and I didn't quote that for a reason.

Mr Davis: You will have to protect me from the heckling, Mr Chairman.

Q416 **Chair:** Do you worry about the cliff edge that the Prime Minister acknowledged in answering the question at the CBI?

Mr Davis: We have said in terms that we want to have a smooth and orderly exit. That's what we want. Like all these things, when you go into a negotiation you try to see where the issues are and you deal with them beforehand, then you don't have to worry when you get to the end. That's the purpose. We have said to business over and over again that we are trying to get them the maximum opportunity for trade, both within Europe and outside Europe, and the minimum disruption. That's what we're after.

Q417 **Chair:** Does the work you have set in train include a contingency plan in case we end up with no deal? Say the deal were voted down by the European Parliament, are the Government thinking about what they would do in those circumstances, if we exited with no deal whatever?

Mr Davis: I reiterate to you that that is not our intention. We are aiming for free access—the maximum free access to all possible markets—but we will do contingency planning for all the likely outcomes.

Q418 **Chair:** All the likely outcomes—that is very helpful.

A final question from me before I turn to colleagues: on membership of the customs union, you told the House last week: "this is not a binary option. There are about four different possibilities"—



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Mr Davis: Possibly more.

Chair: And possibly more. You added that you are “still assessing them.” Could you briefly set out for us what those possibilities are? I am not asking you to say what the Government’s conclusion will be because you haven’t reach one yet, but what are the possibilities?

Mr Davis: I will give you both ways of looking at it, because they are both informative. First, you must look at what exactly exists at the moment. You obviously have countries inside the customs union, which is clearly one. You have countries like Turkey, which has an arrangement that puts it inside the customs union for some parts of its economy and outside for other parts. That allows it to do very limited free trade agreements. You have a circumstance like Norway, which is inside the single market but outside the customs union. And you have countries like Switzerland, who are outside the single market but with a large number—it is 20-something—of trade deals. They are outside the customs union, but they have customs arrangements. The four I had in mind, as I say, are not comprehensive, but cover four stages—a spectrum—and those are: inside the customs union; a partially-inside Turkish model; outside, but with a free trade agreement and a customs arrangement, as happens in some parts of the world; and completely outside. That is a spectrum, if you like.

Q419 **Chair:** As I understand it, that list does not include trying to be in the customs union for certain sectors.

Mr Davis: That’s why I said there are others as well, but they are not on the spectrum. I had in my mind a spectrum of four—that is sort of off to the side of the spectrum.

Q420 **Chair:** Are you looking at all at whether Northern Ireland might remain within the customs union in order to avoid a hard border?

Mr Davis: No, that is not one of the options we have been looking at—so far, anyway. What we are determined to do—I am sure Mr Durkan will want to raise this with me at some point—is maintain that as an open border, but as an example of how that might be done, the Committee might look at the Norway-Sweden border. They are both in the single market but straddle a customs union, and it is a very open border, with particular arrangements designed to make the border a free border.

Q421 **Maria Caulfield:** I just want to set the scene on progress in the Department. The Committee visited and met the Department on 8 November. When we asked about how many resources were in place and about staffing, we were told that just over 300 people were in the team, but that more were forthcoming. Can you update us on the progress of the Department? What resources do you have and what resources are you still lacking?

Mr Davis: The last time I looked at this was a few days ago. There are 330 members of the team—we should bear in mind that that has grown from about 40 since July. The basic Department did not exist in June, and it has grown from about 40 in July to 330 now. In addition, we have 120



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at UKRep, who obviously do the representation role in the European Union, but they are also, by definition, experts. They come from all the different Departments of Whitehall and provide expertise to us, as well as a sight of what our European interlocutors' views are. We have them, but there will be more. I do not know what the final number is, because—I think you may have been told this when you were there—we have a lot of applications from outside. We have 10 times as many applications from inside the civil service as we can take—10 applications for every job, virtually. We have very high-quality staff inside, which I hope you saw when you came, and we basically look at what task has to be done and see what needs to be put in place.

The Treasury accepted our budget in full. If we need to go above it, we will need to use contingency, but because the Department will only exist for about two and a half years, that is not the same sort of problem as it would be if we had a permanent Department, so we do not foresee problems there.

The other issue we have had is geography. Were all my team still in the Cabinet Office when you visited, Chairman?

Chair: Yes, I think they were about to move.

Mr Davis: They were about to move over the road, that's right; so we have a floor now for that, which will make the thing easier to manage. We are not constrained, except by time; we have to get this done quickly, and we are building the machine while we are doing the work, so that is an issue for us. The other thing to bear in mind is that the Department is a mixture of a co-ordination, linking and policy Department. We decided right from the beginning that the wise approach would not be to try to replicate every policy section of Whitehall inside my Department. We have people who are very capable, who normally come from the Department whose policy they are dealing with, and they both co-ordinate and deal with the Department.

Q422 **Maria Caulfield:** You said that the Department is likely to exist for around two and a half years. Are there any plans if suddenly transitional arrangements are needed, three or four years down the line? Are there any arrangements for monitoring progress after we have left and the deals are done, because there will be ongoing work in some of the trade negotiations? Is two and a half years long enough?

Mr Davis: We will see when we get closer. One thing I hope the Committee realises is that we have to focus and prioritise what we are doing. At the moment we are prioritising the policy work, and what they call the engagement work. That is a phrase I hate, but it means getting out and talking to the industries, universities, all the other involved sectors and civil society as well our diplomatic interlocutors. That is what we are focusing on at the moment.

The pattern of requirement over the course of that two and half years will change. From now until shortly after March, it will be massively



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predominantly policy driven. From March onwards there will still be policy action because we may need to switch some approaches. Well before the end of that period, we will have a good idea of whether we need to extend anything. Generally speaking, I don't think we are expecting a major demand for the Department thereafter. As I said, we will make those decisions closer to the time.

Q423 Maria Caulfield: We were very impressed when we visited the Department. There are some excellent, senior, experienced people there, but there was some concern that a large number of the team are quite experienced from Whitehall's perspective, being process driven, rather than looking at the individual areas of expertise, such as with the devolved Administrations, trade and some of the concerns that universities have. There was not that sort of experience coming through. How you are going to tap that and deal with some of those gaps?

Mr Davis: In two different ways. First, you are right, though they do tend to come from Departments that have that exposure. Secondly, we have a vast quantity of engagement activities with various stakeholders. I say to all of them, "Put in papers. Analyse your problem for us, so that we understand it. Quantify it; give us your solutions. Tell us what you are worried about, with respect to our policy proposals." We do all of that. We are also taking on some outsiders.

You are quite right: the cleverest civil servant in the world may take some time to get up to speed on things such as insurance passporting, just-in-time manufacturing systems or customs systems, so we do look for a bit of grey hair outside, but we are doing that more gradually. We can take some time over that component of it.

With respect to the devolved Administrations, we have put in place a committee called JMCEN. I apologise for the acronym. It stands for the Joint Ministerial Committee (European Negotiations). As a part of that, there has been a fairly sizeable set of bilateral meetings between our civil servants in Whitehall and the civil servants in each of the devolved Administrations. That is something that we take very seriously indeed. The first place I went to visit on appointment was Northern Ireland, and then Ireland after that. I have been to Scotland and Wales to make those contacts. That is the other thing we are doing there and, if anything, it is getting stronger over time.

Q424 Maria Caulfield: I was looking at the boards that have been established by the Department. I understand that there are about seven boards, three of which are predominantly looking at the process of leaving the EU. There was just one around markets, one around justice and security, one around trade, and one around EU funding. Do you think the Department is focused enough on sectors of the country that are going to be affected, either positively or negatively, by our leaving the EU? Or do you think the focus is still on the process of the actual exiting?

Mr Davis: Let me go back to the analysis that I was talking about that we have started with the 57 industrial and service sectors. They cover 85% of



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the economy. The bits that are not in the 85% are things like imputed rent, public service sections and so on, in valued added terms. As we go through, we will do two things. At the first cut, what we're already doing is, as I just said, talking to Scotland, Northern Ireland and Wales about the specific areas of interest for them. For example, the employment levels in agriculture in the country are something like 1% or 1.5%—something of that order. In Northern Ireland, it is more like 9%. Wales has its own perspective; we've seen stuff on steel, for example, which is important in Wales. Scotland has its own financial services sector of very significant size, and of course fisheries are important to some of the nations. That is the first cut. Beyond that—we have not got to this stage yet—we will also look at the regional effect. The idea of this aim is to get the best outcome for the country as a whole, but to make sure that everybody gains from it.

Q425 Maria Caulfield: This is my final question. Do you feel that being so London-based is a disadvantage to the Department?

Mr Davis: Well, as I said, the first speech I gave to the CBI was in Cardiff. One of my first visits, after I went to Belfast, was to Glasgow.

Q426 Maria Caulfield: What about the Department itself?

Mr Davis: The Department, remember, is primarily co-ordinating; it's not doing all of the work itself. That is one of the reasons why the JMC was set up—not just to have a political exchange, but to cause an exchange to take place at the official level.

It is very difficult, if you have a Department doing a hard job—this is a hard job; I don't minimise the size of the job—to split it up around the place. You have got to do something in co-ordinating in one place. We are conscious of the need to represent everywhere in the UK. Ministers in particular have been everywhere from Blackburn to Bristol to Belfast and on, and we will continue doing that. As I say, we haven't done enough yet on the regional engagement, to use my Department's phrase, but that will come.

Q427 Jeremy Lefroy: Secretary of State, you have said you want to be, quite rightly, prepared on all fronts for the negotiations. What importance is being given to the good relationships that will be needed with not just the negotiators, but each of the 27 member states, with whom we hope to have good and expanding relations in the future?

Mr Davis: We give a great deal of importance to it. We are slightly constrained by the Commission's sensitivities on no negotiation before notification; the member states want to obey that constraint. Nevertheless, I have been able to talk to Ireland, Spain, Poland, Hungary, Bulgaria, Finland—the Ministers, that is, and then ambassadors beyond that, and there will be others; off the top of my head, I cannot remember them all. The Prime Minister has been to see most of the leaders of the various 27 states, and it is an important part of the negotiation.



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Crispin Blunt got into trouble in a debate last week for quoting Moltke: "No plan survives contact with"—he used the words "the enemy", and everybody got very cross about that, quite rightly. But the simple truth is that the plan will be the plan when we start; it will be modified by the interests of the various other countries and our building interests and alliances. Remember, our approach to negotiation is on two or three premises. No. 1 is what somebody has called a mercantilist premise, but it is not mercantilist; it is basically the economic premise that other people have common interests with us. Trade is a good thing. We have a net £67 billion trade deficit with the European Union, so they have an interest in all of that. But it is not just that.

Also, beyond that, we have every intention of continuing to be a good European citizen. The fact that we are leaving the European Union doesn't mean that we are going to stop taking an interest in European security, European military defence and so on. We have four battalions, I think, in Estonia and Poland, if not now, then very shortly. We make huge contributions to counter-terrorism in Europe. All these interests will be engaged, too. We are on that process. I rather suspect that in the first six months of next year, I will get—actually, not an awful lot of travel miles, but I will get a lot of miles under my belt. I'm going to be getting round them all.

Q428 Jeremy Lefroy: Is there a co-ordinated plan within the Government and the Cabinet for ensuring that all these relationships are being built up at the moment?

Mr Davis: Yes, that is going on as we stand.

Q429 Jeremy Lefroy: Could I turn to the question of non-tariff barriers, which seem to be of greater concern than tariffs? How important a part of your negotiating objectives is it to ensure that non-tariff barriers do not reappear in the way that we have seen in the past?

Mr Davis: You are quite right. One of the reasons we have left the strategic aim at the level of generality that it is in economic terms is because we recognise that non-tariff barriers are probably a bigger issue than tariff barriers in the long run. It is also partly because we have a surplus in services, and services is where those barriers hit most.

We are putting a lot of effort into understanding and grounding things such as the non-tariff barriers in financial services and professional services. I say we are putting a lot of effort into grounding because there is a very wide range of views about how important this is. It is quite easy to work out the impact of a 10% or a 70% tariff—whatever it might be—but it is much harder to work out the impact of the removal of a passport scheme or something like that, because sometimes there are ways around it. We are doing all of that. That is probably taking a disproportionate amount—if there is such a thing; "larger than average" is probably a better way of putting it—of the Department's effort.

Q430 Jeremy Lefroy: One thing that UK citizens and, indeed, European citizens have grown very used to in the past few years is very easily available and



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relatively cheap air transport. I was at Stansted airport on Sunday on the way to Berlin, and it was heaving with British and European citizens wanting to travel. One thing that the British certainly did not vote for was a reduction in their ability to do that in a convenient way. I wonder whether the open skies agreement and negotiations on that are at the top of negotiating objectives.

Mr Davis: They are up in the first division, but the top might be putting it—there are a whole series of things that are equal first. The Transport Secretary is very seized by this issue. I have had meetings with him. I have had a round table with the industry myself, and he and my junior Ministers have had round tables with the industry. We think we are in a good position, to be honest. You mentioned Berlin, but Britain is a major destination. British airlines are important, as are others that operate here, so we have a fair degree of—negotiated leverage is the wrong word, but it is in other people's interest to maintain this, as well as in our own. We are very keen on that. It is not just at the national level. If you are the mayor of a town in one of the Mediterranean states that benefit from easyJet or one of the other low-cost airlines, you have got an interest, too. There are all sorts of bits of leverage. We are well across that, is the answer to your question.

Q431 **Jeremy Lefroy:** Last week there was the welcome and common-sense decision about the European Patent Office, which will be of benefit to British business. Has the Department given thought to such important institutions as the European Medicines Agency, given that the UK has a very large pharmaceutical industry that is absolutely vital to our economy?

Mr Davis: The answer is yes on both counts, but I have two points, which I will separate. You didn't ask this question, but I'm going to answer it anyway. On the European Patent Office, one of the things that falls under my Department is the continuing relationship with the European Union, the General Affairs Council and so on. We have taken the very firm view that we will continue to be good European citizens and support these measures for the last couple of years as well as seeking to maintain relationships afterwards. On the European Medicines Agency, we have had a lot of conversations. I had AstraZeneca in just this week. I was in Cambridge last week, too. We are still getting clarity from the industry on what its preferred outcome is. There are some slight differences in terms of outcome, but it is one of our high-priority areas.

Q432 **Mr Carmichael:** I am interested to follow on from the Chairman's earlier questions about the transitional arrangements. You were asked last week in the Chamber by Wayne David, "Will the Government consider making any contribution in any shape or form for access to the single market?" You said, "The major criterion is that we get the best possible access for goods and services to the European market. If that is included in what he is talking about, then of course we would consider it." I assumed that that was a transitional arrangement that we were talking about there. Was I correct in that assumption or is it something that could go beyond a transitional period?



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Mr Davis: The first thing to say, Mr Carmichael, is that at this stage, three months short of the start of negotiation, I am going to hold every option open that I can. I am not going to shut something off unnecessarily. To not count it out is also to not count it in. It was slightly over-interpreted. What I am trying to do is to keep open as many negotiating tools as I can. That is what I want.

Q433 **Mr Carmichael:** So you would be telling us today then that you would envisage that sort of arrangement of paying for access to the single market in something that could be an indefinite arrangement?

Mr Davis: As I said, I am not ruling it in either, therefore I am not envisaging it—that is the simplest way of putting it. When we get closer to the coalface—that's the wrong word. When we get closer to the negotiation, I may well come back and talk to you about that. I may need to do that in closed session.

Q434 **Mr Carmichael:** How would this work then? Describe the arrangement that you are actually speaking about here.

Mr Davis: I am not talking about an arrangement. I am not ruling something out, full stop. I am not ruling it in either.

Q435 **Mr Carmichael:** So what were you talking about last week then?

Mr Davis: What he said was, "Will we make every effort to keep this market open?" and I said, "Yes." That's all. No more than that.

Q436 **Mr Carmichael:** Right. And what are the consequences of not getting that, if it comes to it?

Mr Davis: The consequences of?

Q437 **Mr Carmichael:** Of not getting that, if that is what were to happen.

Mr Davis: We do not know yet. One of the issues here, and it is not the first time I have faced it in this House, is that we have a negotiation coming up and I have done as much as I can at this point to make plain what our negotiating aims are. I will remind you: get control over immigration, get control over our laws, get the best possible deal for British companies in manufacturing and services across the board, co-operation on law enforcement, and counter-terrorism co-operation. The reason that we haven't specified them in more detail than that is that there are many ways of achieving those outcomes. This is much more complicated than a chess game, but what I will be able to tell you is what the opening in the chess game is. I won't be able to tell you the mid-game and the endgame, or the outcome, rather—it is not a game—until we are well into negotiations, because it will depend to some extent on the very point that Mr Lefroy raised, which is the attitudes and approaches of the 27 other members, as well as the Commission itself. So to try to say, "Will you do this, or will you do that, or that?" will just shut off options, which would actually limit our ability. That comes right to the point that I was making earlier. I will not do things that undermine our ability to negotiate.

Q438 **Mr Carmichael:** Just so we are not misrepresenting you here then, last



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week you were talking about something that might be a transitional or might be a permanent arrangement, it might involve or might not involve the payment for access to the single market in the future. That is clear. Thank you very much for that.

Mr Davis: Many years ago, Mr Chairman, your father gave me some very strong advice. He said, "Don't let anybody else put words into your mouth." I won't.

Q439 **Mr Carmichael:** Moving on then to explore a bit further the question of your arrangements for consulting the devolved Administrations, you have described the joint ministerial committee that has been set up. You have been touring the country. That is at this early preliminary stage, where you are effectively preparing your case and you are gathering your evidence. What is going to be the involvement of the devolved Administrations when it comes to the actual negotiation?

Mr Davis: The purpose of the JMCEN is to get input from all the devolved Administrations on their views on what the policy aim should be. For example, at the next JMC in January I think Mike Russell is presenting to us the Scottish Government's views on what it should be, and the aim is to absorb that into the joint negotiated brief. It will help to inform the decision on what the aim should be. That is the primary role—the primary input.

Q440 **Mr Carmichael:** If there are conflicting aims between the devolved Administrations, how do you resolve that?

Mr Davis: There may be. We will need to debate them at the JMCEN and make a decision. That is exactly what will happen. Of course there may well be conflicting aims. Because I was answering at the Dispatch Box in the debate this week, I was unable to chair the JMC, which I would normally do, but there were debates on justice and home affairs and on immigration. I have not yet read the transcript of the debate that took place or the note from it, but I would be surprised if there were not different views around the table on some elements of immigration, for example, and there will be other matters. We will have to resolve them as best we can in the overall national interest.

Q441 **Mr Carmichael:** Where you have a sector—you mentioned a number of them, such as financial services, and I think you included fisheries in the list—how do you accommodate the wishes of the devolved Administration where they have a dominant interest, as the Scottish Administration do in the fisheries sector?

Mr Davis: We have not got to that point yet, but we will as far we can. We will accommodate all of them, as I say, if they are not in conflict with each other; that is the main issue here. You cannot give one part of the country a veto over the outcome, but you can do everything possible to make sure it gets the best outcome. If I may switch from Scotland for a second, one of the very high priorities was the issue in Northern Ireland of maintaining the border. I have made it very plain that that is a high priority and nobody on the JMCEN has argued against it at all. So in some



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areas we will have to have a degree of unanimity and in others we will have to debate the matter out. I cannot predict for you how the debate will turn out.

Q442 Mr Carmichael: On a similar but different topic, there is the question of the Government of Gibraltar, who have made known their concerns. What engagement have you had with the Government of Gibraltar on this?

Mr Davis: The Chief Minister came to see me some time ago and my junior Ministers have been in touch on several occasions. The primary issue with Gibraltar—not the only issue, but the primary issue—is sovereignty and the argument with Spain over sovereignty. We have made it very plain that we will always respect the wishes of the people of Gibraltar. I used to be Gibraltar Minister; it is written into my blood.

Q443 Joanna Cherry: Thank you, Secretary of State, for coming before us this afternoon. In response to a question from Alistair Carmichael just now, you reeled off a list of outcomes that you are looking for. What are the key strategic objectives that you have set for yourself in the article 50 negotiations?

Mr Davis: They were the ones, really. Respecting the request—not the request, the instruction—of the people in the referendum, which means bringing back control, including of laws, borders and money. Beyond that, seeking the best national interest outcome in terms of trade and the best justice, home affairs and security outcome, in the latter case as close as we can get to the current operational results, although not necessarily the current organisation.

Q444 Joanna Cherry: You have given us a spectrum of options on the customs union. In relation to the single market, if I may turn to that in particular, you have been reported on various occasions as saying that you think we should stay in it. I heard what you said earlier about reports of what you have and haven't said, but can you tell us now whether you have reached a view on whether we should stay in the single market?

Mr Davis: No. This is one of those things where we have to work out what is compatible, and our view at the moment is to keep that general purpose option—that strategic aim—open, full stop, and not come to a conclusion until we have done more work on it.

Q445 Joanna Cherry: Are you looking at a range of options on the single market? The Prime Minister has said that it is not a binary choice; others may disagree with that, but are you looking at a range of options?

Mr Davis: She said that about the customs union, not about the single market, I think. This is one of those things where we have to see what develops on the continent as well. One of the difficulties, Ms Cherry, as you will appreciate probably as much as me, is that we are at an early stage of negotiation, where the stance is very firm and strong, so it is really quite hard to read how it will develop beyond here, but that is partly on us. Broadly speaking, we are sticking to the overarching aim: maximum possible access to services, goods, networks and so on.



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Q446 **Joanna Cherry:** You will be aware from the JMC that the devolved nations have all said that they want access to the single market. How do you intend to preserve that for the devolved nations?

Mr Davis: I think you raised this point in the Chamber last week, didn't you? You were excessively flattering about me at the time. The thing to bear in mind is that people often conflate access and membership. What matters really is access. What matters is the ability to sell our goods and services in the continent of Europe, and for European manufacturers and providers to be able to sell their goods and services here. That is the main thing. I am a big believer in free trade, and that is what we are after.

Q447 **Joanna Cherry:** Mr Carmichael asked you about this business of paying into the EU budget in exchange for access to the single market. Have you put any limit on the level of payments you would be prepared to consider?

Mr Davis: As I said to him, leaving something open is not saying you are going to do it. By way of an aside, I have been asked in the Chamber on a number of occasions, "Would you pay £47 billion?" or whatever it was, or "Would you pay this?" and "Would you pay that?" I can think of little more useful to the other side in this negotiation than for me to answer questions like that. As I said, keeping something open doesn't mean we are doing it.

Q448 **Joanna Cherry:** Turning to the subject of the border between the North and the South of Ireland, on a visit to Belfast in September, you wrote, I think, in the *Belfast Telegraph* that there wouldn't be any return to a hard border. Is that still your view?

Mr Davis: Yes, very much so.

Q449 **Joanna Cherry:** And can you explain what you mean by a hard border?

Mr Davis: One with a fence, checkpoints and all those sorts of things. A very important part of the peace agreement was the removal of any visible border and so on. It does not mean that there cannot be different tax regimes, north and south. It does not mean that there cannot be checks on things that are said north and south in other ways, but it is a very important symbolic part of that peace agreement.

I have to say, by the way, as an aside on this, that I am optimistic that the European Union will be helpful to us in this. Michel Barnier, who is an old sparring partner of mine, is also very seized of this. When I saw him, we did not talk about the negotiations, but he did raise, out of nowhere, his involvement in it and his commitment to it. That gave me a degree of comfort that we should be able to do this in some way.

Q450 **Joanna Cherry:** You said that to involve having a hard border, you would have no fence and no checkpoints. Can you explain how a common travel area could continue to work within these islands if the Republic of Ireland is in the European Union and the North of Ireland is not?

Mr Davis: First, in terms of legalistic issues, the common travel area is actually a clause of the Amsterdam treaty, which I negotiated. It is not



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quite perfect, because it talks in terms of different members of the Union, rather than one in, one out, but it is already recognised in there.

Secondly, people have said, "Wouldn't Ireland be a route into Britain?" Well, 50 million people land at British airports every year. It is a very long-winded way to get into the United Kingdom to come via Dublin. If you want to come in, you come as a tourist and stay. That is what happens if people are trying to come in illegally in some way. I also do not foresee a circumstance where we will stop tourists at all. We will have lots of people coming in and out of Britain, so I do not see it as being as big an issue as that question implies. The other thing I would say is that I also went to Dublin. They were equally keen to maintain this and we may well have discussions with them at some point about their own incoming security, so we have at least some watchlist-type thing there. That is for them to decide, not me.

Q451 Joanna Cherry: What migration controls do you envisage for the United Kingdom after Brexit happens?

Mr Davis: The first thing to say is that my job is to bring the decision back to the UK. It is for the Home Office to run migration control, so it is really a question you should put to the Home Secretary. People jump to conclusions—"We're going to shut the borders. We're going to shut up shop"—so the main point I would make is that I would expect any future Government of whatever colour to run the control of our borders in the national interest, which means, as I think the Chancellor has already said, allowing the movement of talent and people and running things so that the economy works well. In those terms, that is how I would see it working.

Q452 Joanna Cherry: Last week, the Committee was in Sunderland, where we took evidence from local politicians, businesspeople and trade unionists. I asked them all, and not one of them was aware of the terms of the deal that has been reached with Nissan. The Office for Budget Responsibility doesn't know, and nor does the European Commission. You are the only person the Committee has seen so far who is in a position to tell us what sort of a deal Nissan got. Will you take that opportunity this afternoon?

Mr Davis: Somebody better than me is doing it in front of the BEIS Committee right now—namely, the BEIS Secretary of State. He knows this inside out; I know the broad outlines. I can tell you that there was no undertaking, as was mooted at the time, to match tariffs, because tariff matching is illegal under the WTO rules. Beyond that, I recommend you take it up with BEIS.

Q453 Joanna Cherry: Are you not in a position to tell us now what is being told to the BEIS Committee.

Mr Davis: I can tell you no more than is in the public domain. That is exactly what I know.

Q454 Joanna Cherry: But you are saying the evidence is being given by another Secretary of State this afternoon—

Mr Davis: To the BEIS Committee at the moment.



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Joanna Cherry: And that is more detailed than what you have been able to tell us just now.

Mr Davis: I'm assuming so—I assume that's why he is there.

Q455 **Joanna Cherry:** Is it possible, Secretary of State, to conceive of a settlement for Gibraltar or Northern Ireland that does not differentiate in its terms in some way in relation to the rest of the deal for the UK?

Mr Davis: Can you restate the question? I'm not quite sure I understand.

Joanna Cherry: We have talked about Northern Ireland in particular, and its desire not to have a hard border, and Mr Carmichael has raised some of the Government of Gibraltar's concerns. Is it possible to conceive of a settlement that doesn't differentiate in some way in relation to the particular cases of Gibraltar and Northern Ireland—for them to have a slightly different deal from the rest of the United Kingdom because of their particular circumstances?

Mr Davis: I would be loth to go down that route. It is very important for the people of Northern Ireland to see themselves as part of the United Kingdom, until they choose otherwise. Similarly, the Gibraltarians see themselves in those terms, and they expressed that very forcibly in a referendum—not the one on the European Union, but the one on their own sovereignty—some years ago, with 90-something per cent. It was a positively Soviet result. So I don't think it would be a good idea to go down that route.

Look, we are looking at all options that we can conceive of that should look to have any practical application. We are not ruling anything out. Sorry to say I am not ruling anything out again—for using that phrase—but we are looking at all options. The more difficult the problem, the more options we'll look at, but at the moment I don't see one that meets what you have described.

Q456 **Chair:** On that last point, can you confirm that Gibraltar already has a differentiated status because it is not part of the customs union?

Mr Davis: Yes, as do, in other ways, places like the Isle of Man and Jersey, so there are distinctions.

Chair: That is very helpful indeed.

Q457 **Mr Whittingdale:** Can I return to the resources question? We understand, following our visit to the Department a few weeks ago, that the staff of UKREPs in Brussels are now reporting to you. However, they are also continuing to conduct normal EU business while we are members of the EU, and for that the Foreign Office is the lead Department. Is that correct and is it working all right? Where are the reporting lines?

Mr Davis: That's not quite the right distinction. The distinction is that where they are maintaining bilateral relationships with other countries around Europe, the Foreign Office is the lead Department. Where they are dealing with the General Affairs Council—the continuing day-to-day



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business with the European Union—that is our lead. David Jones represents the Government on the General Affairs Council.

Q458 Mr Whittingdale: To what extent are you taking advantage of our embassies across other member states? Are you going to use those resources to undertake bilateral discussions with individual member states? Are the staff of those embassies reporting to you or to the Foreign Office?

Mr Davis: Foreign Office direct, but on these issues there is not a problem in any way. For example, on Friday and Saturday I was in Madrid and Seville seeing, as near as there is one, my opposite numbers. I saw the Deputy Prime Minister who has responsibility for Brexit, and I saw the very new Foreign Secretary, Mr Dastis.

The ambassador accompanied me to those meetings and provided the incredibly high-quality prior briefing. He also gave me his read-out of how the meetings had gone. That service is one for which the British foreign service has a tremendous history and capability. There is no clash in that division of accountability.

Q459 Mr Whittingdale: In your discussions with individual member states, is it your impression that generally they see this as the UK ship of state sailing away from the convoy while the rest continue to proceed at the same speed and in the same direction, as if nothing else had happened?

Mr Davis: It varies; it differs between countries. Most of the ones I have seen so far have volunteered to see me, rather than the other way round. They do that because most of them regret our departure. It is fair to say that; I should not conceal the fact that they wish we were staying.

The reason they wish we were staying is that we have been a spokesman for a certain mindset inside the European Union: more decentralised, very free trading, responsible on budgeting and finance and so on. So they are sorry to see us go. How they see the grand ship of the European state, if that is the right phrase for it, continuing, I don't know. That is a debate they are going to have among themselves. It is as much influenced by their perspective of the way that global politics is going as it is by us—the Trump result, the Renzi referendum and its issues—and that worries them a bit. Mostly, friendly regret is the emotion that I see.

Q460 Mr Whittingdale: I understand that they would like us still to be at the table pressing for reform but, given that we are not going to be any longer—

Mr Davis: They understand that.

Mr Whittingdale: But do they see the process of these negotiations simply as reaching a deal for the UK with the European Union? Or would some perhaps see this as an opportunity to raise the kind of issues that are going to be discussed in negotiation but, more generally, for the reform of the whole European Union?



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Mr Davis: I have not seen that. I had better not try to read their minds. That has not come up and I have not seen it. What I observe is that the Union has a number of issues to deal with: migration, terrorism—the domestic states anyway—and obviously financial stability. Frankly, that dominates their thought processes, as well as their own at-home domestic economic issues, more than the grand direction of the Union. That is my impression but it is only an impression. I cannot say that I try to analyse that.

Q461 **Mr Whittingdale:** Have you detected any recognition that the UK voted to leave and that we are the only country that has given its people that opportunity so far but there are indications, should other countries in the EU hold referendums, that they might produce the same result?

Mr Davis: That is an issue that worries the Commission more than the nation states. One of the things that I have to deal with is that nation states, quite properly, put the interests of their own people high up the priority list, and that is helpful to us, because free trade is one of the things that is mutually beneficial. The Commission is obviously concerned about the risk of somebody else following suit and so on. That has manifested itself in—aggressive is the wrong word—a view that perhaps we cannot be allowed to do well out of this. That is reducing a bit all the time, frankly, but it is still there. It is more a function of the institutions than of the member states.

Q462 **Mr Lilley:** What is the minimum scope of issues that have to be covered in the withdrawal negotiations if either side wants to keep it to a bare minimum?

Mr Davis: I think I have pretty much defined that, but in a way, if you ask for the simplest scope, rather than the minimum scope, it will be free access to goods and services and free trade and, hopefully, the security issue. That is pretty much what our ask is, in a way, or it will be when we get there.

Q463 **Mr Lilley:** I am surprised by that. I thought they saw the minimum scope as being the divorce settlement—who keeps the house and who pays the mortgage.

Mr Davis: I see what you mean. I misunderstood your question. You are talking about the minimum deal they will strike or the article 50 process.

Q464 **Mr Lilley:** If one wants to keep the negotiations short and sweet, what are the minimum issues that have to be covered by the settlement from their perspective and from our perspective?

Mr Davis: This brings you to the interpretation of article 50 itself. I am always getting the words slightly wrong, but it is in essence talking about the arrangements for departure while having regard to the ongoing relationship. I take the view that it is the whole thing, really, but we are going to have to discuss this. This is something where various views are stated, and I will need to talk to Michel Barnier at some length about this at some point.



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Q465 Mr Lilley: I want to come back to that business about taking account of the future framework, but once article 50 is triggered, how are the negotiations likely to be sequenced?

Mr Davis: That is something that we have not yet organised. We will need at some point very early on to discuss how we organise the whole negotiation beginning to end, including whether we leave time for ratification. That is the thing that Mr Barnier raised last week. We have not engaged at that point yet. When we do, we will no doubt need to think about the practicalities—how do you get through the things you get through in the time available?

Q466 Mr Lilley: Something that will influence that sequencing is the bit of article 50 that you mentioned. It says: “the Union shall negotiate and conclude an agreement...taking account of the framework for its future relationship with the Union.” Have you or will you seek legal advice on that? It seems to me that that means you cannot negotiate unless you know, in outline at least, what the framework for its future relationship with the Union will be. Would it not be helpful for us if we could say, “Let us decide what the framework is going to be. Is it going to be broadly free trade with no new barriers, or do we want to go to trading on World Trade Organisation terms?” Until we know which of those two frameworks it is, we cannot really negotiate anything else, according to the treaty.

Mr Davis: I am loth to take your encouragement to take legal advice. The legal advice we have had so far has not been wholly successful.

Mr Lilley: I will offer you legal advice.

Mr Davis: I am teasing you. The simple approach to this will be to talk to Michel Barnier about the practicalities of it. You make a good point, Mr Lilley, but this is not something that will be settled in court; it has to be amicably talked about. I have every belief that he wants to get a practical outcome out of this as much as I do. I know Michel of old; I have known him for 20 years. He will be a tough negotiator but he will want the best outcome. The aim of this for all of us is the best outcome for the United Kingdom and the best outcome for the European Union. I am entirely persuaded that if we maintain that and we negotiate in good faith and are clear about what we are trying to do, we will get a good outcome. I don't think we will have a serious problem with that, but it does require us to talk to him first.

Mr Lilley: I believe my colleague wants to share a bit of my time, if that is permitted, Mr Chairman.

Michael Gove: Not at this stage.

Chair: Not at this stage, but I will try to bring others in when I have gone through. That is really helpful, Peter. Stephen Timms.

Q467 Stephen Timms: You told the Chairman earlier that you couldn't at this stage confirm that the Brexit negotiation plan will be a White Paper. Presumably it might be. Is that possibility still on the cards?



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Mr Davis: I just don't know, Mr Timms. In my mind, the decision is to work out what content I can put into it and then decide what the right format is. I don't want to mislead you on that. You all know my history in Parliament; it is very important to me that I deal properly with you and I don't mislead you. It is content first, format second.

Q468 **Stephen Timms:** I understand that. It is possible that it could be a White Paper. If it wasn't—if it turned out not to be a White Paper—what status would you envisage that it would have?

Mr Davis: I don't know yet. I haven't spent time worrying about this, frankly, because I think the public at large care about the content, not the format. They care about what we say, where we are going, not how it is formatted and whether it is a Command Paper or whatever. I just haven't thought about it yet.

Q469 **Stephen Timms:** Do you envisage that once it has been published, it will be consulted upon over a period of six weeks, or twelve weeks, or whatever it is?

Mr Davis: In what context?

Stephen Timms: Would there be a public consultation?

Mr Davis: There would be a debate about it, I should think. Bear in mind we are aiming to trigger by 31 March—earlier if we can. Bear in mind that we have to amass the content and some of the research is not complete yet and a number of policy decisions are not complete yet. Because so much of this is done in parallel, you get quite a lot of policy decisions coming quite late on, together, and some of them interact on each other, so it will take us a little time to get to that point.

Q470 **Stephen Timms:** So the point you are making is that that would constrain the ability—

Mr Davis: It will constrain the amount of time. We will allow as much time as we can, but it will be dictated by the outcomes. I won't have much choice in what we do.

Q471 **Stephen Timms:** You will allow as much time as you can for consultation but it probably wouldn't be the full period.

Mr Davis: For discussion about it, yes.

Q472 **Stephen Timms:** You made the point a moment ago that it is very important that the UK should be clear in its negotiating objectives. Do you accept the view that having a clear and full statement of UK objectives endorsed by Parliament will strengthen Ministers' hands in the negotiations that follow?

Mr Davis: To be honest, it is not a major component of the discussion. As I have said to a couple of your colleagues already, what I think will take over, at the end of the day, is that the collective interest of the European Union and the United Kingdom will be the predominant driver of the negotiation. This is not going to be a single-dimensional haggling match. It



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won't be like that, which is why I have tried to characterise it in terms of the mutual interest and the mutual benefit to both.

Q473 **Stephen Timms:** But wouldn't it strengthen Ministers' hands to have a document setting out objectives, which Parliament has endorsed?

Mr Davis: I can see where you are going and you are not going to draw me.

Q474 **Stephen Timms:** Okay. Let me push you a little further on the content you envisage for the plan. We have had a discussion already this afternoon about how many options there are for our future relationship with the customs union. Would you envisage that the plan will set out the option that the Government wishes for the UK?

Mr Davis: My expectation is yes. We will say as clearly as we can where we want to go. In the event that there is more than one option, we might put more than one option up, but I would expect us to characterise what we want to do.

Q475 **Stephen Timms:** What about whether the European Medicines Agency should stay in the UK? Would you envisage that level of detail?

Mr Davis: That is quite a lot of detail; it is quite a long way down the detail. I would not have thought it would be that detailed but, again, you are asking me to make judgments about outcomes that we have not arrived at—so, I would not have thought that there would be that level of detail, but I don't know.

Q476 **Stephen Timms:** Presumably the plan will set out the UK Government's objectives, recognising that they may not all be achieved, but a clear statement of the objectives will be included. How long a document do you think this will be?

Mr Davis: That is determined by the content. My test will be: what can I put in the public domain without jeopardising the negotiating brief? That is it. As much as I can, I will put in under that criterion. At this stage, I don't know what that will be.

Q477 **Stephen Timms:** One could envisage a document that might be a couple of sides or 30 or 40 pages. Are you able to indicate which is closer?

Mr Davis: You are asking me to make judgments on what I don't know.

Michael Gove: It depends on the size of the typeface.

Mr Davis: There speaks *The Times* journalist. Larger typeface to fill the page but no big pictures.

Q478 **Stephen Timms:** Are you able to tell us this? I asked you about the customs union and more detail about the European Medicines Agency. Are you able to tell us any other points of content that you would expect to be in the plan?

Mr Davis: Not at this stage. As I say, it is content first and that decision requires us to know what the policy aims are in detail. We know them in

broad outline now. We need to say, "Will releasing that information be hazardous or not?" If it is not hazardous, we will release it.

Q479 Jonathan Edwards: Diolch yn fawr, Chairman. Can we turn to the major piece of legislation you will bring forward in the so-called great repeal Bill? Can you commit today that this Committee will have sufficient time for pre-legislative scrutiny?

Mr Davis: No, I cannot. I am of a mind on that to try to give Parliament some advanced sight of what we are trying to do but we have a timetable issue. If it is in the Queen's Speech for the next Session we will need to get it out of the way, get it done.

The reason I say that is because of what is consequential upon it. Bear in mind what it is going to do. It is pretty straightforward in its aims. It will take the *acquis communautaire* and put them pretty much—not quite—untouched into British law. After that, there will be consequential legislation. Some of that will be primary legislation and, therefore, we will need time to go through before the conclusion of the negotiation, or before the ratification of the negotiation anyway. That will take some time.

There will also be some secondary legislation to go through and I expect that to be quite technical. It will not be at all contentious but it will still require time, and there is a fair amount of it. We have been in the Union for 40-something years and we have got a lot of law—many thousands of pages of statutes—that depends on it and much of it is coined in ways that relate to European institutions or guidances that will no longer be there, so we will have to do that as well. Some of that is very technical and will take time. We have to ensure we have the time to do that.

Mr Chairman, I am happy to come back and speak about the great repeal Bill at some length on another occasion, if that is helpful to the Committee.

Chair: I am sure it will be.

Mr Davis: We will be on a time constraint on this, which will be tight.

Q480 Jonathan Edwards: Do you think there is sufficient time to bring forward the Bill and the consequential legislation before Brexit day one?

Mr Davis: Yes, I think so.

Q481 Jonathan Edwards: What are you envisaging? Is it going to be a comprehensive Bill that outlines what is going to be removed or just written down?

Mr Davis: No. I think it is going to be a simple Bill—we are still drafting it—but with the major parts of change. I don't know; it is a reasonable assumption that we will have to do something about agriculture or fisheries, as was raised earlier. One of those may well need a Bill to go with it. There will be other elements too—maybe on migration, which somebody raised earlier. I don't know, so I am guessing at this point, but that is a reasonable guess, and we have to leave time for that.



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Q482 **Jonathan Edwards:** So the consequential legislation will be the more interesting part.

Mr Davis: It might well be.

Q483 **Jonathan Edwards:** If the UK Government were to decide to remove aspects of EU law from domestic law, would that be done by primary legislation, or by SI? Are you ruling out using Henry VIII powers?

Mr Davis: If it is material, it will be primary. As I said, if it were a technical amendment, say, that we could no longer put something in the *European Journal* and that it had to be put on the British Government website, I would expect that sort of thing to be done by SI, whereas a major policy decision would be done through primary legislation.

Q484 **Jonathan Edwards:** That is good news. So you don't envisage using Henry VIII powers at all.

Mr Davis: "Henry VIII powers" is a vague term. I suppose SIs, by definition, are sort of Henry VIII powers, but they will be technical mostly. I don't foresee major changes by SI.

Jonathan Edwards: I am sure that you followed the discussions in the Supreme Court, and particularly the evidence from the Scottish and Welsh Governments on the Sewel convention. There was an interesting debate about the term "not normal"—i.e. that the UK Government would "not normally" legislate in devolved competencies. Can you define what "not normal" means in the work that you will be doing as Secretary of State over the next few years?

Mr Davis: Not off the top of my head, no. Two elements are being argued about here. One is whether the devolved Administrations should have a veto over the whole outcome. We have argued for very high levels of consultation and involvement but no veto. The other side of the coin is what happens to powers that return. To get the right outcome, I expect that to be a major debate. As some of your colleagues may know, I am fairly pro devolution, but we have got to make it work for the UK single market, for Wales, and so on.

Q485 **Jonathan Edwards:** Potentially, by the time we get to this debate, all three devolved Governments will have a reserved powers model. Based on that, technically if major policy fields such as agriculture or fisheries were being returned from Brussels, they should go automatically to—

Mr Davis: It will be a matter of some debate. My preference is for devolution where at all possible, but given that international negotiation is a reserved power, you have to maintain the ability to do that international negotiation. Given that you have a UK single market, you have to do things to maintain the UK single market—it is very important to Wales, to Scotland and to Northern Ireland, and the Irish market is also very important. You have to take measures to look after that too, so it is not quite universal. I take where you are coming from, and I am listening to it.



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Q486 **Jonathan Edwards:** If there are disputes about where those powers should lie, how will they be resolved? Is that a JMC process?

Mr Davis: In the final analysis, the British Government will decide whether there will be a JMC process in the first instance.

Q487 **Emma Reynolds:** Thank you, Secretary of State, for coming before the Committee. You recently described these negotiations before a House of Lords Committee—back in September—as maybe “the most complicated negotiation of all time”. May I take it from that that you believe that a so-called quickie divorce, which would take six months, is unfeasible?

Mr Davis: I always get into trouble when I use metaphors—you may remember the “Get thee behind me, Satan” line, which got me into trouble through misinterpretation—so let me be specific. I take the view that the best outcome is a negotiated free access to markets outcome and, with it, a negotiated outcome on justice, home affairs and security. I do not think that they can be done in six months either.

Q488 **Emma Reynolds:** Okay, thank you. You appeared very confident in the answers you gave the Chair on the specific point that we could wrap all of that up in the two years on article 50. But isn’t it the case that the Council will be giving guidelines to Monsieur Michel Barnier on the basis of article 50, and actually EU free trade agreements with third countries until now have been based on article 218 of the treaty? Even if the Council concedes that these are parallel negotiations, they may well not be done in the manner that you suggested.

Mr Davis: That is a good question. We have not resolved with the Council how they are going to do that. You are right that our expectation is that there will be guidance both given at the beginning and ongoing. But that decision, as far as I am aware, has not yet been taken. It may be taken tomorrow, actually, or in the near future. That is the first thing.

The legal basis is one of the things we are looking at ourselves at the moment. The legal basis of the outcome has become a very important issue after Wallonia and the CETA, and so on. One of my discussions with Michel Barnier must be about what the timetable of the endgame, or the end outcome—I hate the word “endgame”—will be. That is one of my early discussions with him.

Q489 **Emma Reynolds:** Indeed CETA, although it was an ambitious free trade agreement, is not one that we would want to emulate, because it does not cover financial services and it does not cover some of the other areas that we would be interested in. It did take seven years and it was deemed to be a mixed agreement and therefore subject to ratification of 38 member state Parliaments and regional parliaments that has yet to take place.

Mr Davis: As I said, that is the Walloon problem. There is one very big difference to bear in mind with this, and it plays back into the great repeal Bill as well. For most of these free trade agreements, particularly with the European Union but in any part of the world, a large part of the negotiating phase is over the whole question of common standards. On



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the last day of our membership of the European Union we have identical product standards and service standards, and so on, to the European Union. We have perfect mutual recognition for most areas. So that bit is instantly resolved—that takes a slice out of it. The second component—

Q490 **Emma Reynolds:** Sorry—can I interject? Obviously the rub will be that these regulations and standards will be developed in the future, and the Swiss have an arrangement whereby they have to have arbitration of developing standards in the future.

Mr Davis: You are quite right. Indeed, the CETA treaty has exactly such an arbitration arrangement in place. But let me just finish my original point.

Emma Reynolds: Sorry.

Mr Davis: That's all right; this is a very important debate. The other element of most international agreements is an entry-into-force period. Very often, the entry-into-force period is a harmonisation period, when things come into effect.

In neither case will we have those problems. That is why I think this can be done in two years—because you are taking out those elements—and it is one of the reasons for the original design of the strategy, with the great repeal Bill, which could almost, equally, be called the great continuity Bill.

Emma Reynolds: Great incorporation Bill.

Mr Davis: Yes, if you like, but that doesn't quite have the same appeal.

Q491 **Emma Reynolds:** I'm sure it didn't do what was needed at your conference.

We have had a range of witnesses representing different parts of industry—obviously we have had the CBI as well—and we have asked a number of questions about WTO rules and tariffs. Every witness we have had who represents different businesses and industries has said that they would not want to fall back on WTO rules and tariffs in March 2019 once we leave. You have said repeatedly this afternoon, and indeed in the Chamber, that you want maximum access to the single market. Can I take it from that that in both the plan that you present to Parliament and the letter that will trigger article 50, you will explicitly set out that your overall objective is to avoid a WTO scenario in March 2019?

Mr Davis: I will not state it in those terms. First, in terms of the letter, there has never been one of these letters before, so how it is phrased may be important, in terms of the relationship between the Council and the Commission and the amount of freedom the Commission has. There are various aspects of that that I am still thinking about, in terms of whether we phrase a long or a short letter. That is the first thing to say.

Secondly, we will state it in terms of objectives—not things to avoid. We are not going to this negotiation as supplicants; we are going as equal partners. That is how we are going to conduct ourselves. This is going to



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be done in a way in which hopefully everybody will treat each other with the best of intentions and the best of aims.

Q492 **Emma Reynolds:** But is the Government's objective to have better access to the rest of the European market than simply WTO access? Would that be a safe assumption?

Mr Davis: The Government's objective is to have as close to the level of access that we currently have as we can achieve.

Q493 **Emma Reynolds:** Okay. In terms of the letter, do you feel that you have a good understanding of what the other side expects from that letter? As you say, this hasn't been done before, and if we get ourselves into a situation in which the other side expects a lot more detail, and the Government present something non-detailed, that could set things off badly.

Mr Davis: I have an idea of what they expect; forgive me if I don't detail that any more.

Q494 **Emma Reynolds:** The Prime Minister recently visited India to talk about a future trade agreement with the Indian Government. It was interesting that the Indian Government wanted to talk not only about trade but about visas for business people and international students. You said in the House recently that you will keep the option open—we had that exchange with Mr Carmichael—of possibly paying in. Is it also the case, given that we want as close as possible to maximum access to the EU single market, that although we will take back control of immigration, we could still end up with a preferential system for EU migrants rather than non-EU migrants?

Mr Davis: I think taking back control is quite an important issue here. The example I will point you to is the Swiss example. They thought they had control of their own migration via an emergency brake situation. When they tried to exercise that they were unable to, because it was tied in to so many other treaties. I think what we have to bear in mind is that we have to pay respect to the outcome of the referendum, and there has therefore got to be clear control by this Parliament.

Q495 **Emma Reynolds:** I understand that, but might there be a differentiation between low-skilled immigration and high-skilled immigration?

Mr Davis: Again, my job is to bring the decision back here, not to exercise a decision thereafter.

Q496 **Emma Reynolds:** And you don't think that will be part of the negotiation?

Mr Davis: No, I don't. I think that the operation of that decision after we have left the European Union will be in the national interest, and that will affect all levels of skills. The Government will come to a judgment as to what is necessary for universities, for business and for fruit picking.

Q497 **Chair:** Can I just pull up one point on arbitration arrangements? A number of the possibilities you have outlined in your evidence this afternoon could well involve some arbitration arrangements thereafter, to



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sort out where there are differences of interpretation. Would the Government be prepared to accept such arbitration arrangements as part of a deal?

Mr Davis: Almost any free trade arrangement—which, I guess, is one option—has an arbitration arrangement of some sort.

Q498 **Chair:** And that would involve the UK having to abide by the outcome of the arbitration?

Mr Davis: It depends on how it is written. For example, if the arbitration says that one party has not met a standard or something like that, it may mean that they can no longer export a certain good. That is hardly onerous.

Q499 **Chair:** But that would mean us subjecting ourselves to the decision of a higher body.

Mr Davis: It may. We do anyway. We are members of the Council of Europe; we subject ourselves to the ECHR; we are members of a number of bodies to which we subject ourselves.

Q500 **Chair:** I am well aware of that. I am just trying to understand what the difference in principle is between accepting those higher authorities in the examples you have just given, and accepting the higher authority of the European Court of Justice.

Mr Davis: Because one relates just to trade and the other relates to intrusions in laws that operate within this country.

Q501 **Chair:** That is what you think the distinction is.

Mr Davis: Yes.

Q502 **Chair:** But if an arbitration decision prevented us from exporting goods, it would impact upon this country.

Mr Davis: When you export goods to, say, the United States, you are subject to the operation of the courts of the United States and meeting their standards. There is nothing unusual about that. If you deal with somebody on a commercial basis, it means you accept their standards for selling them goods or services, and that is fair enough.

Q503 **Alistair Burt:** It has been a pleasure to listen to a pro at work this afternoon. Thank you very much.

Mr Davis: Shall I take that as a compliment?

Alistair Burt: You certainly should. It is a sticky wicket you are on, and that was definitely a compliment.

May I start by asking a question about terms of negotiations? You said something that I think would be very helpful. You made the point that at the end of the day, whatever we would like to set out by way of objectives, negotiation will come down to mutual benefit between the two parties. Could you confirm that that is really the case? We have an awful



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lot of public comment in this country that seems to suggest it is all about us—we are a big trading nation and the fifth largest economy, and sooner or later, when push comes to shove in negotiations, the trade issues will dominate everything else. Actually though, I understood you to say, that is not the reality.

Mr Davis: Of course it isn't. For many of the nations of Europe, Europe represents something much bigger than trade. It represents democracy. It represents the rule of law. Look at all the countries that came out of the Soviet empire: for them, this is not just about trade; trade is important, but it is not just about trade. I was acutely conscious when I was Europe Minister, back when you were still at school—

Alistair Burt: I think I was in another part of Government.

Mr Davis: I know you were. I am just getting my revenge. You will have attended the Council too. We were different in some ways from the others. This is not a claim of benefit or greatness; it is just that they had a view of this institution they were part of that was more than that. This is not why I say that we want a successful EU and a successful UK. It is not why I define that in terms greater than economic ones—in terms of security, protection of mutual values and so on. I say that simply because I believe them, but it is an important part of the argument.

Q504 **Alistair Burt:** I agree with that. It is very helpful that the Secretary of State states it in such a way. In that case, could I probe something you said in answer to John? You said that the EU was more worried about issues of contagion and cohesion than nation states. In my conversations with colleagues over the past few months—politicians of different parties representing nation states—they have expressed that their countries are as concerned about cohesion as probably the European Commission is.

Mr Davis: Cohesion is a word with two very different meanings.

Q505 **Alistair Burt:** What was your evidence for suggesting that it is the EU that is worried about this, as opposed to nation states?

Mr Davis: Their public statements. It is only really the institutions that have talked publicly about Britain not being able to do better out of this. Fear is what drives that. It is not malice or any enmity; it is because they fear that if we come out very well, other countries will be tempted to emulate us. I do not blame them for that fear; I just think it is misplaced and that they are wrong about it. Some other countries do take a similar view. I have not spoken to a German Minister yet, but I would think Germany may take a view like that; it is possible. It may well be that France does as well—I have spoken to Michel, but I have not spoken to a French Minister on it yet. Broadly speaking, it is more predominant among institutions than among the nation states. That is probably a better way of saying it.

Q506 **Alistair Burt:** The practical outcome is that that is a factor in the negotiations as well.

Mr Davis: Yes, of course.



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Q507 Alistair Burt: You made a reference earlier to negotiations reaching a further stage. We have the issue of how you can keep Parliament up to date with negotiations as they get more detailed. You mentioned something about a closed session. Do you want to say a little bit more about that? Is it your intention to come back to colleagues in a closed session at different stages with some very meaty stuff?

Mr Davis: I mentioned it as a possibility. I do not know at this stage. As you will remember, Mr Burt, what happens in these negotiations is that information is often sensitive for a few days or a week or two, but not for months or years. We will try not to hold information for too long after the point at which it is no longer sensitive. The other thing is that sometimes, or very occasionally, it may be that one wants to say, "This is how it looks. This is the position of the various countries"—something that we would not want in the public domain at all. That is the circumstance in which we might have a closed session.

Q508 Alistair Burt: My last question is this: as you come to the point of detailed negotiations and discussions with colleagues in Europe, do you find it helpful that a quite large group of MPs persist on tweaking the tail of the EU by writing letters to them signed by lots of them with some challenge or other? Is this helpful to you, harmful to you, or is it, although annoying, of no consequence?

Mr Davis: You started off by calling me a pro. I have far too much sense of self-preservation to answer that question.

Alistair Burt: I am not going to press you.

Chair: That is duly noted.

Q509 Karl McCartney: Secretary of State, I am going to take you right back to the start of this session, unfortunately. That is the way we work.

Mr Davis: It has a sort of cyclic feel to it.

Karl McCartney: Here we go. Hopefully it will be short and sweet. Maria Caulfield asked you about staffing in your Department. When we visited, we were told that at that point 307 staff had been appointed. Some of us were shocked and dismayed to find that all had come from the civil service. We have all seen "Yes, Minister" and, as I pointed out, civil servants have had two centuries' worth of honing their procrastination skills. If there is anything we want to happen in the next two years in your team, if they are to achieve good for you and the country, we need good people not to take anything into the long grass.

My question to you is maybe a bit of a "Top Gun" analogy. You want the best of the best. Of the 23 new people—you told us that there are now 330—have any not come from the civil service? Are any of them brought from the outside with outside expertise? Do you not agree that, actually, you have probably got enough Icemen and Icewomen and probably need some Mavericks?



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Mr Davis: I am going to resist being dragging into that. We have enough mavericks already in the political wing. The simple answer to your question is this: if I were able instantly to snap up from outside 100 people who are well qualified and perfect fits, I would, but we are in the real world and we have to get on with the job. That is what we are doing at the moment. It is a hell of a pace of a job. A lot of the sources for the analytical work come from outside—from the businesses we are talking to and so on.

In terms of pace, this Department is a little different from the “Yes, Minister” type because they are all volunteers. Every single one of the new group who have come in—from the 40 onwards—are volunteers. We have vast numbers of volunteers for a small number of jobs. They want to make it work. That is why we will not see procrastination. I have certainly not seen any so far.

Q510 **Karl McCartney:** I am very pleased to hear that you have every confidence in them. I would just point out that they may all be volunteers, but they are all on secondment, so there is no performance enhancement for them. If it all goes wrong, they will be going back to their old jobs. I repeat: do you not think you need some outside expertise—people who are not from the civil service?

Mr Davis: We are gradually bringing some in, but the reason they are volunteers is that this Department is at the pivot of a historic change in our country. They all want a part of that. I tease civil servants as well as the next man—remember, I used to be PAC Chairman and am fairly familiar with the syndrome—but these people want the best for their country, as do I and as does everybody in this room. They will do their best for their country.

Q511 **Mr McFadden:** Secretary of State, can I ask you a little more about immigration? Net immigration to the UK currently runs at something over 300,000 a year, which is split roughly 50:50 between EU immigration and non-EU immigration. Slightly more come from outside the EU, but it is not too far from 50:50. Immigration policy is going to change as a result of our leaving the European Union. What is the policy objective of the change that we will make? Is it still to reduce net immigration to tens of thousands rather than the 300,000-plus that it is at the moment?

Mr Davis: Bear in mind that I said earlier that my task is to bring the decision home, as it were, and for others to exercise the decision. I draw your attention to comments by the Prime Minister and the Home Secretary that that aim is still there. They have also warned that it is not going to be sudden—it is not going to happen overnight—and there is not going to be a sudden closing of doors.

My view, as I said earlier, is that the decision will be exercised in the national interest. That does not mean suddenly denying universities Nobel laureates coming or businesses the ability to transfer managers from Tokyo, Berlin or wherever. It does not involve shutting down all the fruit-picking farms in the country, either.



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Q512 Mr McFadden: Is there a reasonable expectation on the part of the public that the policy outcome of taking back control of immigration is for them to see it reduced to less than a third of its current levels of net immigration of 300,000-plus a year? Is that a policy objective?

Mr Davis: I think it is a reasonable expectation, but over time.

Q513 Michael Gove: What assessment have you made of the aims of the EU 27? What do you think Michel Barnier's criteria will be for success in the negotiations?

Mr Davis: It is very hard to know. He has not quite concluded his tour of the 27 that he is doing himself. When he gets to the end of that he will come back. He will have a view that will be laid down. He will make a presentation to the Council and they will lay down the negotiating guidelines, and I think that is what he is going to have to take as his guidance, aim and criteria for success.

I will make this point as an aside to that. Michel got heavily criticised by the British press when he was appointed, a bit unfairly, to be honest. When he was the Commissioner for the City effectively, for financial services, he was very tough at the beginning but the judgment I come across in the City was that he was pretty pragmatic in the conclusion. That is my memory of him from the past. You did not actually ask that question, but that is that.

In terms of the 27, they vary. There is a point that nobody has put to me, but is important to make in this context. It is that from the beginning of this process to the probable conclusion, there are 17 electoral events. We have had the Italian referendum and the Austrian election, so there are 15 to go, by my best estimate, assuming we go the distance. So in a way the water is changing; it is flowing past and altering, so the aims may be a bit different.

Secondly, different parts of the Union tend to fall into different categories. The so-called Visegráds have views that place security and migration high up the batting order. The Swedes are very pro free trade. In fact, all the Nordics are very pro free trade. The Spaniards are similarly pro free trade. Some of it is driven by the strength of the links with us. When I was in Madrid, the ambassador arranged lunch for me with businessmen, all of whom had strong links. It is not a single entity. I was giving examples.

At the end of the day, we are going to have to harness two things. One is economic self-interest and maybe security self-interest. The other is persuading them that it is in Europe's best interests to have a friend and a strong trading partner off their north-western shore.

Q514 Michael Gove: You stressed the diversity of interests across the European Union. Am I right in thinking that Britain is one of only two European Union countries capable of projecting significant force abroad? Therefore, when it comes to protecting the eastern border of the European Union and of NATO, for example, only Britain and France can really protect the Baltic states and Poland. Therefore, it would be in their



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interest to ensure that Britain remained a strong defence point.

Mr Davis: Yes, I think that's accurate.

Q515 **Michael Gove:** Having stressed the diversity of interests across the European Union, do you think it conceivable that a country such as Spain—faced with pressure from the Catalans and the Basque Country for separate arrangements within Spain—would want to see differential treatment for different parts of the United Kingdom?

Mr Davis: Probably not.

Q516 **Michael Gove:** Given the diversity of opinion across the European Union, the case has sometimes been made that the Commission will want to punish Britain in order to show that leaving the European Union has consequences. Indeed, Donald Tusk, speaking on behalf of the Council, has said, "There will be no cakes on the table...only salt and vinegar." What is the worst they could do if they decided that they wanted to go for what we could call the Walkers course of action?

Mr Davis: I am not going to put ideas in anybody's head in that respect. You are looking for one-word answers and sometimes I do not want to give them. First, much of this is at this stage. Even your comment about Spain is at this stage. Maybe they will change their minds—I don't know. There is a viewpoint, which is only just fading, among some Europeans that we cannot really mean this and that we could be persuaded to change our mind. Maybe that is what Mr Tusk was trying to do—I don't know; I can't read his mind. As recently as October, at least one head of Government was saying, "How are you going to change this? How are you going to reverse this?" Many others still feel that it cannot really happen. That is partly the sort of mindset, the end of which is still there now. As we get further into this and once we have served the article 50 letter, one of the virtues of the article 50 process is that it sets you on way. It is very difficult to see it being revoked. We do not intend to revoke it. It may not be revocable—I don't know. That is the route we are going down. I expect, at least at that point, that people's calculation will change from, "How can we make them change their minds?" to, "How can we best deal with this?"

Chair: Very helpful. I am anxious to bring proceedings to a close at 4 pm when we have to go and vote.

Q517 **Michael Gove:** Of course. One last question: is it within the remit of the British Government to think about, for example, reducing corporation tax, changing VAT or changing the regulatory tools that are within their control in order to make Britain an even more attractive destination for investment if the European Commission and the Council seem intent on trying to punish us?

Mr Davis: Can you explain that in more detail?

Michael Gove: The simple point is that we are invited to believe that the European Union can put the screws on us. Of course, the truth is that if they do so, they are harming themselves more than they harm us, and we have many tools that can make our country a far more attractive



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destination for investment than they can make their countries attractive destinations for investment. The assumption that underlies much commentary around this, which is that we are weak and they are strong, is, in fact, a misreading of the situation.

Mr Davis: You make a good point but I am not a natural mercantilist.

Chair: I was going to observe that tax policy is probably above your pay grade.

Mr Davis: I will take your advice, Mr Benn.

Q518 **Mr Raab:** You used an interesting formulation early on about Britain remaining a European citizen outside the EU. When we talk about the dry grey details, and about what we don't want because we don't want to show our hand, there is a perception of risk, within Government and Parliament, that we sound rather miserly. Do you share my high-level ambition that it is perfectly possible, subject to the negotiation, which is a two-way process, that Britain can be an even better neighbour, ally and trading partner outside the political fetters of the EU? I just wondered whether, at the highest level, that is and ought to be the Government's ambition.

Mr Davis: Yes. I more than share it—that is my view. That is the aim. At the end of the day, this is a turning point in our history, in which we will have lots of opportunities to seize that will give Britain a better future, in my view. With a stronger economic future, we can be a better economic, security, cultural and diplomatic neighbour. That is more than just my view; it is part of the aim.

Q519 **Seema Malhotra:** We had a very interesting discussion earlier about facts and opinions in the debate around Brexit.

Mr Davis: I am tempted to quote a past governor of the Bank of England, who said, "If I was interesting, it was a mistake."

Q520 **Seema Malhotra:** I just wanted to ask a couple of very quick questions. You have talked about the best outcome for Britain. My interpretation from what you've said is that that would largely be around what is best for the British economy and our security. Would that be fair?

Mr Davis: Those are two high-level aims that are material to the interests of every British citizen—they all want to have jobs, they all want to be better off and they all want to have a secure life. Those are not the only aims. Mr Raab, when speaking just now, actually made a rather good point that the position we hold in the world, if you like, is also quite important.

Q521 **Seema Malhotra:** I too had some meetings with businesses, and I was struck by the feedback from a range of organisations that felt there had not been a structured consultation with businesses in different sectors. I am not sure if you feel you would agree with that. It will be interesting to know how you've been reaching and how you've been communicating the findings from any of your discussions and, indeed, whether the findings will be reflected in the White Paper, or whatever colour your document



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might be when it is published.

As part of that conversation, it was very interesting that the feedback I received was that they didn't feel you and your Department had fully understood the implications of losing the financial services passport, and they did not understand your position on that at the moment. They also had concerns around equivalence rules, and the instability that that would bring, in that they could be much more subject to withdrawal for regulatory change reasons or political reasons.

Mr Davis: First, in terms of understanding passports, it is a complex subject but it is not an incomprehensible subject by a long margin. There are about nine different categories in aggregate, and they affect more than half a dozen areas of finance. They are not an area where we are necessarily at a disadvantage. For example, something like 5,500 British passports seek passports to the European Union, while 8,000 Union companies seek passports here. There is a quid pro quo in this; there is a playback.

Secondly, in terms of our conversations with companies, that is a whole of Government operation—it is not simply DEXEU, to use that horrible acronym. We alone have seen 130 companies from every sector of the economy since July. Virtually every other Government Department has been seeing their own client group, if that is the right phrase. We've had vast numbers of roundtables; I can send you a list of those if you like. Of course, we cannot get around and see every company. What we are doing is understanding the detailed approach and the detailed problem in each area.

My approach to that is fairly straightforward. I say to them—not just me, but my Department—first, give me the insight on what the problem is, quantify it, give us an indication of how much we are talking about in terms of employment, costs, capital and also your policy answers and what you want our policy answers to be. Yes, some of it can be complex. You're talking about mutual equivalence under MiFID, CRD and solvency II—there is a whole series of areas on which we are working on solutions. We understand only too clearly some of those mutual equivalence things being unstable, in their view, because of the ability of tough regulatory change under their feet. That's what we're trying to solve.

Q522 **Seema Malhotra:** I understand we will not be able to take this further, but I reiterate that the feedback was that the consultation has not been structured and they have not felt that there has been much communication. I will leave it there.

Mr Davis: I will be very happy to hear from you on areas where you think that has happened, and we will go back to it again. But I can tell you in terms that there has been a vast effort—in terms of my experience of government, it has been one of the biggest efforts ever. It has been done very quickly because we have to get on with it. Of course, the conclusion has not come out yet. That is the point. We are halfway through the process.



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Q523 Sammy Wilson: For obvious reasons you have used the phrase quite often today that you are not ruling anything out, but there is one issue that I would like to hear you rule out. You mentioned that you wanted to see no hard border between Northern Ireland and the Irish republic, which is something that we share. Can you rule out that that will not be delivered by having border controls between the island of Ireland and Great Britain?

Mr Davis: I do not know at the moment. I do not see that that will be the solution, to be honest. I am hesitating because the primary concern for me is to make sure that we do not have a hard border. There are various technical ways of resolving that. We have not finished that process. We are doing it in consultation with the Irish Government and we are making progress with the Irish Government. We may not have a solution to it in the next few months. What I will undertake to do is to write to you on that matter once we have had a further think about it. I can absolutely see the issue, and I can see why that is a second-best solution. I think we can find a better one. I will not make a promise today, but I will make a point of writing to you when we have got further down the road of the solution.

Q524 Chair: Two quick final questions from me. First, will the great repeal Bill be published in draft to allow for pre-legislative scrutiny?

Mr Davis: I said earlier to Mr Edwards that we might not be able to hit that timetable. Again, I will write to you on that, if I may.

Q525 Chair: Secondly, I invited you in the debate last week on the question of whether Parliament will have a vote on the final deal when it has been negotiated to move from the words that you have been using and look Parliament, and the Committee today, in the eye and answer a simple yes. Would you like to take the chance to do so?

Mr Davis: What I will say to you is, as I said in Parliament, there is a Constitutional Reform and Governance Act that covers this and we will obey the law to the letter.

Q526 Chair: Can I take that to be a yes?

Mr Davis: I am going to return to you, Mr Chairman, with your father's own words: don't let anybody else put words in your mouth.

Chair: Thank you very much for coming to give evidence this afternoon.