

THE ANDREW MARR SHOW

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**INTERVIEW WITH DAVID DAVIS MP,
SECRETARY OF STATE FOR EXITING THE EUROPEAN
UNION**

ANDREW MARR: David Davis, for those people watching who find all of this a bit complicated, can you explain to us exactly what the difference is between the position as laid out by the Prime Minister at Florence and the original Lancaster House speech?

DAVID DAVIS: Well, in strict terms there's no difference because it's encompassed in Lancaster House, but the important things in the speech were: one; laying out in detail the transition, the implementation period. The fact we're going to take up to two years to make sure that businesses, government, people are all ready for the change. The second thing is about treatment of European citizens here. The Europeans...very, very worried about, you know, some future government changing their rights. So we're writing it into – we're writing the Treaty into the law and allowing British courts to take account of what European courts do. They probably would anyway, but we'll put that in a – put that in a law. And the third thing is, we've said, look, we understand, as we've always said, you know, we're going to meet our international responsibilities. One of those responsibilities is that the European Union with us leaving will have its complete budget structure disrupted, because we're leaving in the middle of a budget, and we're going to help put that right. Those are the three things. Three big things.

AM: Let me come to all of them then bit by bit. Let's start with the money which you've said in the past is the most difficult issue of all. Now is it broadly speaking right that staying in for another two

years in effect of the single market and paying to do that costs about £20 billion?

DD: Well that's, if that's what we did, that's what it would cost roughly. About 10 billion a year net is the number, but whether we do it that way or some other way it will depend on negotiation.

AM: Now there was another very, very interesting change in language I thought which was in the past the Prime Minister has said and you've said, we will meet our legal obligations and now we're saying that we will meet our commitment – the commitments we made as an EU member.

DD: Actually, I haven't used the word legal. In fact, when I was last on the programme I said to you we've been challenging the legal base of some of the European Union's claims. But we actually said we'll meet our obligations, wider than that.

AM: All of the obligations we will meet.

DD: And – and expect them to meet theirs too. There's two sides to it, yeah.

AM: So we will meet all the obligations that we entered into as EU members financially and that could include things like pension contributions, it could – joint programmes overseas, it could be structural funds in Italy going ahead and those kind of things?

DD: Well now, be careful.

AM: Michel Barnier has said he wants detail on all of this.

DD: Oh yes certainly. I mean, look, whenever you have a negotiation, we're in the middle of a negotiation and we've had

the most positive response to – to our initiative, the Prime Minister’s initiative as we’ve ever had. But of course –

AM: Slightly chilly still.

DD: Oh of course, it’s a negotiation. You know, you’ll always say we want more. Whatever you do – I told you this last time, whatever you do we’ll want more, we’ll want more details and so on. But no, it doesn’t necessarily mean what you’ve described. I mean there are two categories if you like, two categories. Number one, the current budget, right? That’s the – that’s the sort of what they call a multi-annual financial framework – forgive the jargon. That’s going on at the moment, we’re in the middle of that and people have done things, started projects and so on, on the base of that. We understand that. Beyond that, I mean things like pensions and other things – these are debatable to say the least, arguable to say the least, and indeed the reason –

A: But the Prime Minister – I’m sorry, the Prime Minister has said we will honour our commitments.

DD: Honour, yeah, honour our obligations and our commitments but you know exactly what they are – I mean the interpretation being put on – on this by the Union is of course the maximalist one, where this ridiculous number of a 100 billion thrown out at the beginning. They put the kitchen sink in and we’re going through and saying

AM: ...

DD: I’m not going to do the negotiation on air, but the last time we went through line by line and challenged quite a lot of the legal basis of these things and we’ll continue to do that. That doesn’t mean that we want to see our allies and friends in Europe

massively disadvantaged in the next few years and that's what we're aiming not to do.

AM: But we are moving from the strict letter of the law in all cases to our general moral obligations.

DD: Well gen – we always take the line that we will meet our obligations. What – what we're doing today or what we did – what we did on Friday is lay out a little bit how we see it. The Union, the European Union took a very legalistic approach and we think actually got some of the law wrong, and that's where the – that's where the clash was last time.

AM: Now you said the 100 billion figure was ridiculous and many other people have said the same. If that's ridiculous, are we looking at 40 billion, because that's the figure on the front pages?

DD: I know it is and they sort of made that up too. I'm not going to do an actual number on air, it would be ridiculous to do that, but we have a fairly clear idea where we're going on this, but the course along this is subject to legal challenge and debate and that's what will happen.

AM: On the rights of UK citizens the Prime Minister said in Florence that they were going to have the same rights as they have now. Did she mean that, because there has been a debate about this?

DD: Well the areas where there's a debate, I mean asymmetry or the issue here is not just that, it's also having them effectively similar rights or the same rights to British citizens. Now, some things there are still arguments about, but broadly speaking that's right, yeah.

AM: In some areas if I was an EU citizen and I married somebody who was also an EU citizen or from somewhere else I could bring them to this country without challenge. If I'm British and I marry somebody from Ethiopia I can't bring her back.

DD: Exactly, exactly.

AM: So there is a difference.

DD: That's what I was referring to.

AM: And do they keep those extra rights after Brexit?

DD: No, this is still something for negotiation, but no, in the long run that won't happen and we have got to get to a situation where British – British citizens and the three million or so Europeans who are here are on – on a level standing. As I say, we're negotiating how we can solve the biggest issues here.

AM: And on the same issue, the Prime Minister has said that British courts would take account of European Court of Justice rulings and jurisdiction. Mr Barnier and his team have said we must be under the ECJ's jurisdictions.

DD: Well, that's not going to happen.

AM: So what does 'take account' mean?

DD: That's not going to happen. If you've got – and basically the aim with the withdrawal treaty will be to have British citizens and – in Europe, and European citizens in Britain, treated broadly similarly. You know, they won't be exactly the same because they're in different countries under different legal systems but as similarly as we can. Now when you've got that in operation it's perfectly right for the British courts to say well how are the Europeans doing this? Right? That's – but in that sense understand something. The last court case I handled actually reference to foreign courts as a major part of the one side's argument. It's not – it's not unique or indeed even new but we want to put it explicit so that the Europeans understand it. We are

not under any circumstances going to be accepting the overarching supremacy of the European Court. That's going.

AM: But British judges will be required by law presumably when they're engaging in cases –

DD: Allowed, allowed I think is probably a better word. I mean the –

AM: They're allowed at the moment, so it must go beyond that?

DD: But we're making that explicit, we're making that – the point about this we're making that explicit. I think one of the difficulties in the negotiation has been quite interesting, 'cause as you start at the beginning you said these are incredibly complex areas, very hard even for experts to stay across them. One of the issues at the beginning was I think the Europeans did not understand necessarily how our legal treatment of treaties worked, you know, so we're writing the treaty into - the words of the treaty into law I should think is what will happen there. We will allow the judges to interpret the treaty if you like in the courts. But – and in that respect they will of course naturally look at European Union decisions.

AM: Have you ruled out completely therefore any kind of joint EU – ECJ British courts? Some kind of joint court?

DD: Oh no, no –

AM: You think that's possible.

DD: I think it's quite likely. I mean I think there will be a large number of areas – the jargon we use is a dispute resolution procedure, forgive me, but that's what's - and most international treaties, the Canadian-European Trade Treaty, for example, have arbitration mechanisms that work between the two countries. And normally what happens is it's something like one of theirs, one of

ours and one neutral panel or something like that. And that's almost certainly where we'll end up on this.

AM: Okay. Let's look again at the big picture if you like. March 2019 we leave the EU, but if you look around in March 2019 when it comes to free movement of people, when it comes to the amount of money we're paying into the EU and it comes to EU regulations, not much will have changed. You won't be able to spot any great difference.

DD: The – well that's the part of it – the purpose of the implementation period is to give people time to adjust.

AM: So that's true???

DD: Well take the free movement issue and this will – I'm sure this will be controversial and we'll be debating this in the – in the negotiation, but what we've said is we want registration, we want to register people who come in.

AM: And they've said no already.

DD: We'll see. We'll get to that point when we actually negotiate the implementation period. But the issue is we will be putting in place a new immigration system. That takes time. You know how complex these things are. You don't want to make lots of mistakes doing it 'cause it's individual people's lives, so we'll take time and deliver it at that time. The pre-registration, by the way done by other European countries in many cases this registration will be done –

AM: So we are going to register every non-British EU citizen living here or just people coming in?

DD: Coming in, coming in.

AM: And they're going to have sign up. The EU says that is against European law because it's discriminatory.

DD: Well – well actually, one, we'll be – we'll be outside the European law by then so this is a question of negotiation and maybe comes under the arbitration we talked about before. But that's the intention.

AM: All right, let's talk about again the big picture when it comes to trade and so forth. There seems to be a real problem between those people who want to stay as close as possible to the EU to get frictionless access to the markets, if you like to be party to EU's magnetic force field and those who say no we want to break away completely and look at the rest of the world. Where on that spectrum are you?

DD: Oh, I'm bang in the middle I should think.

AM: Boring.

DD: I thought you'd think that. Look the – this – this is a real argument and again it will be a real argument in negotiation but the – the issue will be to what extent and how our regulations in the UK effecting markets will be similar to those in the EU. The truth is we start at exactly the same position, that's what we keep saying on this, we're in exactly in the same place but we'll manage the divergence.

AM: And presumably we have to diverge or there's no point in leaving?

DD: No of course we will diverge. We'll do things our own way, you know. The Prime Minister – to remind people – the Prime Minister said there'll be areas where we have similar aims and similar methods, areas where we'll have similar aims and different methods and areas where we'll have different aims and different methods and we'll treat them – but they'll all at the end of the day be under the British Parliament, which they aren't now.

AM: But as we diverge we can't have frictionless access to the European market, can we?

DD: Well you say that. The – the first thing to say is does the – do these changes, any changes we put in place, actually affect the competitive balance between the UK and the EU, and indeed on their side too if they change something. Let's imagine – I mean this won't happen, but let's imagine they suddenly decide they were going to subsidise lots of industries, we'd have an objection to that. That's where this arbitration panel will come in. We'll say no, no, no you can't do that, or if you do then there's a cost to it. Now that's where it ceases to be frictionless. If one side misbehaves as it were with respect to the other. But generally speaking there are plenty of trade deals where you've got frictionless trade which is subject to overarching rules but nevertheless you leave the government in charge of its own business as it were.

AM: And meanwhile, for some period of time can you tell me how long we will be paying money back to the EU because of our obligations and our commitments?

DD: Well we don't know that yet. I mean that's –

AM: Could it be five or ten years, 15 years?

DD: Oh no, no, no. The Prime Minister is very plain we're coming to the end – a phrase she uses all the time, we're coming to the end of these vast payments to the European Union. We'll get to an agreement on the financial matters, we'll decide how that's done. Whether that's partly as – in the implementation period I don't know. We don't know, people have hypothesised, have guessed that all across. But in the future after we've left we may contribute to science operations, things where we want to be members and we get something out of it, but there won't be sort of vast payments.

AM: During this budget cycle we will commit to carry on to paying for paying for pension funds and some structural things and overseas – these are the commitments.

DD: The commitment is that nobody will have to pay more into the fund, nobody else will have to pay more into the fund, nobody will receive less as a result of our action.

AM: Which means that we have to keep paying in until absolutely –

DD: Until 2020. I mean we're talking a quite short period.

AM: And to be absolutely clear, this is the very same money that Boris Johnson said they could go whistle for.

DD: You'll have to ask Boris about that.

AM: It is the same money, isn't it?

DD: I don't know what – I don't know what Boris was talking about there, but the simple truth is Boris signed up to this. Boris was there on Friday saying look, you know this is a good outcome, this is the right thing, so ask him by all means. But –

AM: His people are saying that his famous – his now famous essay in the Telegraph helped change the tone for this debate and he's had a big influence on it.

DD: Erm. Well I have to say that the – the policy in the paper, the policy, sorry, in the Prime Minister's speech, had been coming for a long time. I mean some of them, transition, we were designing right back in the beginning of the year. Some of it we'd been designing months ago. I don't think there's been any change of policy in the last few weeks.

AM: Did you, like Amber Rudd, look at this piece and think ah ha, a bit of backseat driving? Did you think this was a helpful intervention to the debate?

DD: My car's only got two seats.

AM: Yeah but did you think it was a helpful intervention?

DD: Well, no that's fine. It was on your programme, wasn't it? It was a very good interview I thought.

AM: So you agree with her, it was backseat intervention?

DD: No, I said it was a good interview.

AM: Were you pleased with Boris Johnson's intervention, Mr Davis?

DD: Look, we have very strong – I never criticise somebody for being passionate about this subject. You know it was fiercely argued throughout the whole country and people take it very, very seriously. Some people so much so they haven't got over the actual vote and that's the other side of the argument, so I'm not going to criticise people for having a passionate view.

AM: Do you think the Cabinet is going to be able to hold together long term over this?

DD: Oh yeah.

AM: It looks to a lot of people like there's fissures and cracks all over the place.

DD: No, I don't agree at all with that. The - I think this actually, what the Prime Minister's laid out – 'cause is this very concrete, very straightforward and very practical. People can see how it will work. One of the difficulties in the whole European debate, we started off saying how complicated it was and people assume all sorts of terrors in the dark bits, the bits they don't know about. Actually, this is doable. It is well doable and actually it will give us a tremendous platform to be a fantastic global trade power and a fantastic global political power. And that's what they see. That's what they're beginning to see, I think.

AM: And is much better what you're doing than no deal?

DD: Well we always reiterate. No deal is better than a bad deal. What we're doing, what we're planning, is much, much better than no deal.

AM: Okay. When it comes to the EU's future relationship with us, as I say we could be quite close to their magnetic force field. We could be a Europe - essentially a European Social Democratic country moving in parallel with the EU or we could be a very, very different country, much more perhaps like the United States or Canada or Australia. Do you accept that as a big national choice for the country?

DD: Yeah and they'll make their choice every time they have an election because the difference in this exercise at the end of it is it will be parliament decides. Of course we'll make a big change, it might affect our trade access to Europe, that's accepted. It's true of any country with any trade. The parliament decides and yes, of course there will be big decisions, whether it's a social democratic or a Christian democratic model or a more right wing Tory model or whatever. It will be a decision for the people.

AM: Looking back at the Florence speech, was there anything in it at all that couldn't have been said a year ago? Haven't you wasted a year as a government?

DD: Oh on the contrary. I mean bear in mind we're in the middle of a negotiation and that negotiation's ongoing. There are times when you test each other's metal and that takes time, and yeah we are coming up to - we're coming up to a period when the German election's happening shortly, I mean so there's going to be - that's going to have an affect too.

AM: There's endless delays but you know you triggered Article 50 pretty quickly and then almost nothing visibly seems to have moved in the negotiation process, except they haven't given up anything, we've given up quite a lot.

DD: Well, that's not – that's not true and you'll see - I mean you'll see it – you'd better judge this nearer the end than the beginning, but the simple truth is that we have been working to a plan which as I say hasn't changed very much towards it, set in very fine detail in the last six months. I don't accept this argument, oh well you know you haven't got the answer yet. This is a two year negotiation. 19 months of negotiation. That's what takes time.

AM: We said transition period, here's £20 billion, here's our obligations, we're going to change the law to help EU citizens, we've given up lots. What has Michel Barnier given you at all?

DD: Well take – take transition for a start. I mean in the beginning transition was a no-no. The Europeans, since January, we had a campaign on this around Europe – since January most of Europe's come to accept that transitions both - best for both sides, you know. At the beginning if we'd gone in and said yeah, we want transition I suspect we'd have had to pay a price for it. I'm not sure that's the case anymore.

AM: So what do you say to a keen Brexit voter who said, five years after the vote we will still in effect be pretty much inside the EU paying in money with free movement?

DD: No, that's not true. I mean firstly in 2019 we will leave. We'll come out from under the – the jurisdiction and the law-making of the European Union, we'll have a couple of years which allows people to adapt. Most of the people who voted Brexit will say to you we want a practical upbeat real, effective Brexit. That's what we're gonna get.

AM: And do you accept that you have in effect adopted Labour, Keir Starmer's policy when it comes to the customs union, the transitional arrangement and the single market? You criticised him but he's been proved right.

DD: One of their 11 policies. No, I mean we've argued from the beginning and I've said all along, I've been on your programme talking about implementation periods and how they will work, and nothing of this came from Labour, I have to tell you. All of it came from inside the Conservative government machine.

AM: David Davis, thank you very much indeed.

DD: Thank you.