

DAVID DAVIS

ANDREW MARR SHOW

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DAVID DAVIS, MP

Secretary of State for Exiting the EU

AM: Now there's been a lot of speculation and comment about the Brexit talks. Some people have forecast national humiliation. Others, like my next guest, have promised straightforward talks followed by a crisp and positive deal. But now the actual arm-wrestling has begun, David Davis, the Brexit secretary is our man on the side of the table.

DD: I feel one should exercise.

AM: And Mr Davis, right at the beginning of this process, back at the time of the referendum you told people this would be a straight forward – you suggested almost a breeze these negotiations. Is there a danger that people watching now are going to feel they were misled?

DD: No, I never said it was a breeze and if you read the articles as well as the speech I made, I said it will be turbulent, there will be difficulties, but at the end of the operation there is a point of common interest to both sides where we gain by being able to exploit global markets, where they gain by having a friendly and comfortable ally, not an irritating member of the club.

AM: Now you invited me to read your speeches which I'm now able to do.

DD: Oh go on them.

AM: This was what you said about economic case for Brexit during the referendum campaign. You said: "The first calling point of the UK's negotiator in the time immediately after Brexit," that's you, "will not be Brussels, it will be Berlin to strike the deal. Absolute access for German cars and industrial goods in exchange for a sensible deal on everything else." So have you called Angela Merkel?

DD: You'll be glad I've been to Berlin. I haven't called Angela Merkel, I've talked to her premier advisor on the matter if you like. But you know we're not going to get – I mean if you want to talk about Germany – we're not going to get the response from Germany I don't think until their election is over. We're going to get a lot of preparatory work before then. It's one of the reasons I'm happy to let October come before we start that.

AM: But you basically argued that the German car industry and German industry generally, would put pressure on the German Chancellor who would put pressure on the EU to ensure that we got a good deal. Is that still your view?

D: Oh, that's where it will end up, yeah. I mean it's not just the German car industry, it's Bavarian farmers, French farmers, Italian white goods manufacturers, you name it. The balance of trade basically is 230 billion from us to them, 290 billion from them to us. They have a very strong interest in getting a good deal at the end of the day on all sides on trade.

AM: So you remain reasonably optimistic about it all. You are however, we've had the election campaign, we've had lots of changes in the atmosphere. You are now surrounded by a whole bunch of Eeyores, Eeypres at you, including the Governor of the Bank of England who said that this country is now dependent upon the kindness of strangers, and indeed the Chancellor of the Exchequer as well, are you irritated by the noises off at the moment?

DD: No. I mean this is unsurprising frankly. There are lots of different interests around the UK all of whom, quite properly, are fighting their own corner. The bank is very concerned about the City and the financial sector amongst other things.

AM: Concerned about the economy too.

DD: And the economy generally. I mean it's actually a very interesting speech. I read it in detail. There's a lot more in it than what you just described. And of course they'll make their cases, but at the end of the day the key in any negotiation it's not about sort of macho clashing of antlers, it's about finding the place that suits both sides. And that's what we're about. That's the way we're going. You see it even this week in terms of putting to them the citizens' rights issue. It's trying to find a place that suits both sides.

AM: Are you absolutely sure we will get a deal?

DD: I'm pretty sure. I'm not a hundred percent sure. You can never be. It's a negotiation.

AM: Because again you said right at the beginning of this: "We are guaranteed to get a deal, you can be sure we'll get a deal."

DD: You can be sure there will be a deal. The I want which is the free trade agreement, the customs agreement and so on. I'm pretty sure, but I'm not certain.

AM: And you think we'll lose anything to get the access to the single market, because again you said to I think Andrew I think, "It will be a very easy, not easy, but very straight forward negotiation."

DD: Not easy I said, and that's the point. And there will be things that get in the way. Let me take an example from this week. We've just put up a proposal to give EU citizens in the UK a set of rights and they give British citizens on the continent. A set of equivalent rights, okay? Now what we've set out to do is to create a status almost equivalent to the same as British citizens. They get

the same residents rights, the same employment rights, the same health rights, the same welfare rights, the same pension rights and so on. Almost equivalent to British citizens. The only thing they don't get is the right to vote and they can get that if they become a citizen. And where ours work the same the other way. The argument now is going to be more about whether the European Court of Justice has a say and that's where the fight comes in, that's where the argument comes in.

AM: That's one of the places the argument comes in. The reason it didn't go down terribly well on the continent is they felt they got a headline and not a lot of the detail they needed to know. For instance can you tell us anything about the cut-off date? I mean if there are people watching this programme from the continent, which they can do these days, and they may be thinking ah, but I'm due to go and start my business in Wolverhampton next March or next April, will I be relevant to it?

DD: Well with respect Andrew, that's not right. I mean that's what the headlines may have said but if you look at what the Austrian minister said, what the Polish minister, perhaps the most important in this context, the Lithuanian, the Italian –

AM: Can you tell us what the cut-off date is?

DD: Well we've said explicitly it will not be any earlier than the triggering of Article 50 because we think that's fair. I mean you could have said June 23<sup>rd</sup> last year when the referendum decision was taken, but there was a lot of people who didn't think we'd carry through with it, so we take the Article 50 date as the minimum and the maximum is the last day. And we will discuss with them what we think is the fairest and best way. And we have said explicitly this is something we want to talk over with you. Not that we haven't got a view, but that we want to talk that over with you. There are other areas as well, quite small ones, but other

areas as well where there are differences, but the main thrust of this is this actually gives an undertaking to all three million people in this country today that they have - they will have rights, effectively British citizenship rights, or the same rights as British citizens. And the reason we cast it that way is because we were getting a lot of stories coming back, particularly from central Europe, where people were saying, oh we're going to be made second class citizens. No. That was the point. Absolutely the point.

AM: But people are still watching and wondering will it apply to me given how long I've been here, they want to know whether they'll be able to bring their relatives here and so forth. When are you going to give them more detail?

DD: Well all that's going to be published - I think there's a 15 page paper, something like that being published tomorrow in front of Parliament. On Tuesday I'm going to be writing articles in pretty much every city of the Union, not Dublin 'cause they're under a different route.

AM: Can you say any more about it just now?

DD: Well in terms of what we're talking about there a whole range of things. There are things we keep under our control, things we don't. The things under our control for example we're talking about continued indexation of pensions to people who are in the EU. There was concern about that, we thought that was important to do and we can do that unilaterally.

AM: What about access to health?

DD: Well other things, I mean we're looking to see if we can get a continuation of the EHIC scheme as it now exists and of course if we can't get one then we would provide one unilaterally anyway but that's what we're looking to. We're trying to ensure that every

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individual citizen gets their current position as it were locked in place for them, so that they can be – so the anxiety can go. This is the real issue, it's about people's anxiety. It's not about the prospect of deporting people, it's about the anxiety that they can't stay. That's the real issue.

AM: Will anybody be deported?

DD: I don't think so, unless they've committed a crime or some sort of security problem. I don't expect that. It will be go back to the normal relationship.

AM: This all hangs on the EU giving our people the same results. So if there isn't a deal on that then presumably all of this is up for grabs?

DD: One things I generally refuse to do is go down hypothetical routes 'cause that sort of gives away too much. But the simple truth is this is the option which we think can be resolved moderately quickly.

AM: Now you mentioned the court issue, because Mr Barnier has said very clearly he things the European Court of Justice must have jurisdiction over this. Theresa May has said equally clearly, no way.

DD: That's right.

AM: There is a possible third way I guess which is we take some of their judges and some of our judges from the Supreme Court and put them onto some new court which has jurisdiction over both sides.

DD: There are two parts to this issue. One is giving the people here confidence that the system will stay. That we won't just flip it over in another five or ten years. We'll have British courts

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imposing the law from a British Act of Parliament underpinned by an international treaty.

AM: They say that's not enough.

DD: Well that's – as I say there are two arguments, depends who you talk to. When you look at the Council – this gets terribly technical so I'll try and make it as simple as possible. When you get the Council handed down its negotiating guidelines the European Commission then interpreted it. The Council's guidelines didn't mention the Court. The Commission's did. So there's a little bit of ideology in this as well. Now there may well be – I mean when we're doing all these deals on trade and other areas, there will be arbitration arrangements. There won't be the ECJ, there'll be a mutually agreed chairman and somebody nominated from both sides, is the normal way but there may be other ways too. And it may well be we have an arbitration arrangement over this but it's not going to be the Court of Justice.

AM: All right, Michel Barnier is somebody that you tangled with way back as a trade...

DD: Tangled is not the right word.

AM: Dealt with. What's he like and how are you getting on?

DD: Well he's very French. Very logical.

AM: What does very French mean? Slightly grand?

DD: Oh he's very grand. He's very – I mean he comes from the mountains, he comes from the Savoie, he's very elegant.

AM: And not in a mood to compromise, he says.

DD: Oh, well let's see. I mean you know the issue is he wants a deal as much as we want a deal I think. I mean when he was the Commissioner in charge of finance, the sort of financial services, at first we thought he was terribly stiff and unmoving and so on. Eventually he struck a perfectly reasonable deal. And I think we'll see the same here. It'll be stiff, there will be small movements,

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incrementally and you won't – they'll be so small they'll be invisible sometimes, but they will matter and they'll happen.

AM: He won round one, didn't he? You said there wouldn't be parallel negotiations over things like money and European citizens' rights, the Irish border, everything had to be done in parallel and they said no, and they won and you folded.

DD: I think not. If we were on here six months ago the Commission's position was we'll do the divorce arrangements for a couple of years, at the end of that we'll go into a transitional arrangement then you do the negotiation then. Now the Commission is looking to recommend parallel negotiations from October. That's what it's looking to do. I want to get the citizens things through now, that's important, that's more important than having a row now, and Northern Ireland on the table. We won't conclude Northern Ireland this summer but we will –

AM: It'll be on the table.

DD: Well it's on the table.

AM: Because you said yourself that we couldn't finally conclude it until we knew what the MAST arrangements were, the customs arrangements and so on.

DD: Exactly. But it's technically difficult. It's perfectly doable but it's technically difficult. Again for your viewers we want to have effectively an invisible border between the North and the South. Now there are technical ways of doing that. Number plate recognition on vehicles. Tagging of containers. Trusted trader schemes. Quite a lot of very technical stuff which has to be – we have to start on it now so that when we get to the end we'll be in a position to actually implement it.



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AM: So no row over the summer as we've been promised?

DD: Not at the moment.

AM: Okay, let's turn to the transitional arrangements which are very, very important. The Chancellor of the Exchequer Philip Hammond, your new mate was sitting in that chair last week and he suggested that they had to be quite long, that business was really worried about a cliff edge and therefore years and years of transitional arrangements were needed. Is that your view as well?

DD: Yes.

AM: Yes?

DD: Well yes, basically. He and I have discussed this literally weekly since before Christmas. The issue was up front to get the European side of the negotiation to understand it was their interests as well and quite a lot of the non-negotiations that's been going on before now has been about that, about talking to them about the impact for financial stability in Europe would be if we went suddenly from one regime to another. What the impact for customs would be if we went from one regime to another, like that.

AM: Business is dead scared about this.

D: Oh yes, of course, and we understand that well. I mean that was one of the first things raised last August onwards really and we've discussed this with them and we think that there will be a transitional period, not that long. I think he said to you actually on your interview last week that it had to be over by the election.

AM: Well three or four years he was talking about.

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DD: No, no he said over by the election actually, somewhere anyway. I think one to two years is more likely. It will vary. It will vary. It will vary.

AM: And during that period we would still come under the jurisdiction of the ECJ, we'd still have to accept their rules. Pay in and all that.

DD: We haven't said any of that. What we're saying is let's start talking to them about how it will work. And exactly what it is. This is something incredibly practical. It's not an ideological thing; it's a practical and pragmatic thing. What will work best. What will deliver the outcome which suits both sides. I go back to what I said right at the beginning, you know, we're looking for an outcome that helps both sides. Holland, for example, the Netherlands. Huge amount of trade through Rotterdam, right. They are very nervous, reasonably, as is Belgium that they would get a shock effect if we didn't do something to stage things. So its practical things like that we've got to get right.

AM: Would no deal be better than a bad deal?

DD: Well as he said to you last week I mean we –

AM: He said it would be very, very bad.

DD: But he also said and he was right, because he and I discussed this too, that this started with suggestions that there will be a punishment deal, you know. That we would have to do worse outside. We don't believe we'll do worse. I believe in course, it will take a couple of years; we'll do significantly better with the global markets. But we cannot have a circumstance where the other side says they're going to punish you. So if that happens then there's a walk away and we have to plan for that.

AM; But he said it would be very, very bad.

DD: Let's finish the analysis. Half my job is the invisible job of actually planning for all outcomes. Good, the bad, the whole range and what we're doing at the moment is working that up. It'll take time, this is not the sort of thing you make up or write in a comment piece over a weekend, it is something you actually have to work out in great deal and that's what we're doing right now.

AM: I come back one more time. The Chancellor himself said it would be very, very bad to have no deal.

DD: It will be better than a punishment deal.

AM: But very, very bad. So it's two terrible outcomes.

DD: No, no, I'm being very clear about this. In my job I don't think out loud and I don't make guesses. Those two things. I try and make decisions. You make those based on the data. That data's being gathered, we've got 50, nearly 60 sector analyses already done, we've got planning work going on in the customs, we've got planning work going on 22 other issues which are critical, 127 all told. All of them have got to be grounded before we come to a conclusion what it looks like.

AM: You've talked a lot about Philip Hammond.

DD: Well you have actually but I'm just answering.

AM: You've said that you've been talking to him weekly and you're clearly close to him and all the rest of it. Are you pleased to see him staying on Chancellor?

DD: Yes, of course I am. Of course I am. I mean listen, one of things that's a backdrop to what I do is the stability of our financial markets, of the country, the economy. The better that is, the more stable that is the easier hand I have.

AM: Now I could now come on cleverly to the leadership speculation and you could block it and we could have a completely pointless conversation

DD: Yes, it's all nonsense.

AM: Let me ask you something slightly different. Would it be catastrophic for our Brexit negotiations for the Tory Party now to have a leadership contest?

DD: Yes. Yes. Listen; let me be absolutely plain about this. Number one, I happen to think we've got a very good prime minister. I know she's coming under a lot of pressure at the moment but I've seen her in action, I've seen a number of prime ministers in operation over the years – I go right back to Margaret Thatcher. And I think she's very good, she makes good decisions, she's bold, she takes her time. There's no SA crisis about this government, it's very, very, very clear that she's a good prime minister. That's point number one. Point number two is I want a stable backdrop to this Brexit negotiation. It's hard work, by the way.

AM: So what's your message to those Tories who are already ruffling around in the rhododendrons muttering about leadership challenge and groups and who's going to take on who?

DD: Don't be so self-indulgent, is my message to those. In terms. Stop being so self-indulgent, get on with the day job, which is that people put us here to deliver – amongst other things deliver a decent economy, to deliver a decent life for them, and of course deliver Brexit and deliver all those things. So the more you do of that, the more self-indulgent narcissism you go in for the more difficult you make it to do our proper job.

AM: But the self-indulgence is coming from David Davis supporters too. You were at a meeting where there was – one of the MPs there said, 'you should be our next prime minister,' and there was

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either a great swell of applause or a scattering of applause depending on who you read.

DD: And I said afterwards, our job is to support the prime minister and make Brexit work, not anything else.

AM: Well, that's admirably clear. So you could say, like Boris Johnson, you're not going to stand against her until Brexit is done, probably not ever?

DD: No, look, I'm not going to get into it. I really am – I said, it's self-indulgent. Frankly, the fact we've spent two minutes on it is self-indulgent.

AM: Only two minutes.

DD: It's still two minutes too long.

AM: Alright, let's go back. We haven't talked since the election in this way. Was it true that you advised Theresa May to call that election?

DD: Yeah. Yeah.

AM: Do you regret it?

DD: I take my share of the blame for it. Along with the other 20 members of the Cabinet who also said it was a good idea.

AM: You particularly went in and said it. Do you regret it? Did you apologise to her?

DD: No, I didn't apologise to her. I mean, I didn't design the campaign, you know. I thought we'd get a better result than we did.

AM: What did you think of the campaign?

DD: Well, it didn't work did it? And that's the truth about it. You judge a campaign not by what you think of it. Every campaign you get critics along the way, every campaign has a wobbly Wednesday, whatever it is. If it succeeds it succeeds, if it doesn't it doesn't. It didn't.

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AM: And this really matters to you, because you said during the campaign that if we come back with a great big majority that strengthens my hand in the Brexit negotiations. The fact that you actually went backwards presumably has given you a weaker hand in the Brexit negotiations?

DD: Well, it's given us a different hand. I mean, I would have liked to have a hundred majority for other reasons, frankly, but it gives us a different hand. It was very interesting, during the campaign itself Brussels was briefing oh, if there's a big majority it means she can make more concessions. So I'm afraid what I said back to them when I last saw them was actually it's a very small majority so it's going to be a very narrow window you've got to aim for. You know, you can deal with everything, every hand you get.

AM: But you look at the numbers in the House of Commons now, and where MPs stand on Brexit and you are much more vulnerable to assaults from the House of Commons on your negotiating position. I'll give you an example. What happens if you bring the Great Repeal Bill onto the floor of the House of Commons and you lose in those votes?

DD: Well, I think it'd be very improbable we do.

AM: But that's the end of the government isn't it?

DD: You asked Keir Starmer last week, you know, 'what is it you disagree with in the Great Repeal Bill?' And he couldn't give you an answer. I mean, you asked him two or three times I think, and he couldn't give you an answer.

AM: He did reserve the right to oppose it.

DD: Of course he does. I mean, look, Labour opposed Maastricht even though they agreed with every word of it. So yeah, we might get cynical opposition. If we get cynical opposition from the Labour Party, I think the public will draw a conclusion. And this little wave of euphoria we're seeing now around Mr Corbyn may suddenly evaporate. The point about the Great Repeal Bill, just so your viewers know, is it takes European law and puts it into British

law, so there's no black hole when we come out the other end. And that is very, very important. If somebody disrupts that, they're taking on themselves a responsibility for making the British statute book, British law, unworkable when we leave the European Union. Do they really want to do that? I don't think so.

AM: What about austerity, because that's been a big issue. You know, you're a working class boy originally; you understand why people are so fed up with the years and years and years of cuts and so forth. Again, you could face revolts on the floor of the House of Commons.

DD: Well, I mean, to be fair to the Chancellor, he actually eased it slightly within his first budget, he eased the trajectory –

AM: And it's going to be eased more isn't it?

DD: I don't know. You should have asked him that, not me.

AM: I did. And he said more or less yes.

DD: Well, alright, then I'll go with the Chancellor's answer. But the simple truth is when we came in we had a deficit of 151.7 billion. It's now down to 51.7 billion. Every pound of that is taxes imposed on our children. That's the thing to remember, every pound is tax imposed on our children.

AM: But there may be tens of billions of pounds for leaving the EU as well to be paid.

DD: Oh, I don't know about that.

AM: Tens of billions seems a fair assessment from what they're saying.

DD: Let's see where we get to on that. I mean, the negotiation hasn't started on that. And it won't finish for quite a long time. We won't know the answer to that for a year or two. So I wouldn't get too bogged down in that. But the simple truth here is we've got to deliver a strong country, jobs – which we are delivering – incomes, protection for...

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AM: One very important, very final question. Has this interview been patriotic enough for you?

DD: I prefer forensic to patriotic. It's certainly always that, Andrew.

(ends)