



Liaison Committee

Oral evidence: The Prime Minister, HC 1393

Wednesday 18 July 2018

Ordered by the House of Commons to be published on 18 July 2018.

Watch the meeting

Members present: Dr Sarah Wollaston (Chair); Hilary Benn; Chris Bryant; Sir William Cash; Yvette Cooper; Mary Creagh; Lilian Greenwood; Sir Bernard Jenkin; Norman Lamb; Dr Julian Lewis; Angus Brendan MacNeil; Dr Andrew Murrison; Neil Parish; Tom Tugendhat.

Questions 1-133

Witnesses

[I](#): Rt Hon Theresa May, Prime Minister.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Rt Hon Theresa May, Prime Minister.

Chair: Good afternoon, and thank you for coming. For those following from outside the room, we will cover Brexit to start with for the first hour, and then we will move on to the subjects of air quality, defence expenditure, the restoration and renewal programme here and, if we have time, health and social care. We will start the session with Hilary Benn, the Exiting the European Union Committee Chair.

Q1 **Hilary Benn:** Good afternoon, Prime Minister. Given the events of the last two weeks, wouldn't it strengthen your hand in the negotiations if you put the White Paper to a vote in the House of Commons?

The Prime Minister: What is important is that we have set out the Government's position and got through particularly important legislation in the House of Commons. Getting the European Union (Withdrawal) Act on the statute book was a very important step in the process of withdrawing from the European Union. We have published the White Paper, and we have begun discussing it at the EU level.

These are negotiations; you can't constantly be setting out where we are in those negotiations. As I said, we are not going to do a running commentary on the negotiations. What is important is that the Government's position has been put forward. As we have seen in things like the withdrawal Act and some of the other pieces of legislation we have put through in planning for our future in relation to being outside the European Union, the European Commission and European Union leaders have seen the strength of our determination on this.

Q2 **Hilary Benn:** We know, Prime Minister, that it is the Government's position—self-evidently it is. The question was whether it is Parliament's position. The problem is that everyone else watching what's going on here, including those with whom we are negotiating, is wondering whether, in fact, your proposals have the support of Parliament. Doesn't that make your job more difficult?

The Prime Minister: We have been very clear that these are the proposals that the Government is bringing forward. These are the United Kingdom's proposals that we are taking forward. That is being engaged with by the European Commission.

Q3 **Hilary Benn:** Okay. Can you remind us how much the Government is spending on preparing for a no-deal outcome?

The Prime Minister: The Treasury set aside, over a period of two years, the sum of £3 billion for preparatory work. That was allocated at the spring statement. My right hon. Friend the Chancellor of the Exchequer explained the allocation for 2018-19 among Departments. As you might imagine, DEFRA is the Department that has £310 million allocated to it for that year. HM Revenue and Customs has £260 million, the Home Office



HOUSE OF COMMONS

has £395 million. The other big amounts include £185 to BEIS, and then, obviously, other Departments have some allocated. Those sums are for work they are doing in preparing for the outcomes, and of course those outcomes are a deal or no deal.

Q4 **Hilary Benn:** Can you confirm that no deal would mean a hard border in Northern Ireland? It's a very simple question. If there is no deal, there will be a hard border.

The Prime Minister: There isn't the sort of simple answer to that that you are looking for, if I may say so.

Q5 **Hilary Benn:** Really?

The Prime Minister: Obviously, if we were looking at the question of no deal, the United Kingdom would need to consider what action we would take in those circumstances, and the Irish Government and the European Commission would need to consider what action they would take in those circumstances.

Q6 **Hilary Benn:** But you have put a huge amount of effort, including in your White Paper, into coming up with a proposal to avoid a hard border—presumably because, as you said to the House of Commons on 9 July, “The friction-free movement of goods is the only way to avoid a hard border between Northern Ireland and Ireland”. Therefore, if there is no deal, there can't be friction-free movement of goods, and therefore there would be a hard border, wouldn't there?

The Prime Minister: If there is no deal, there will be decisions for the United Kingdom Government to take about the action that it takes at its borders. The European Commission is very clear that if there is no agreement in relation to customs arrangements, there will have to be checks at the border, but, as I say, when you come to a circumstance—whatever the circumstances were—we would obviously need to look at the situation in which that deal was being put in place, the arrangements in which that lack of a deal was being put into place, and so forth.

Q7 **Hilary Benn:** But we are talking about no deal. You have just acknowledged that the Commission has said that checks would have to be put in place on the European side. Therefore there would be a hard border, and that would be the consequence of no deal. I suppose the question is, why would that be worth it? You have often said, “We're prepared to contemplate no deal,” although you do not want that outcome. Why would that be a price worth paying for Northern Ireland?

The Prime Minister: If I can just recap on what I said, in my first answer in relation to this, I said that if we were in a no-deal situation we would obviously have to consider what action we were taking, not just in relation to the Northern Ireland border but more generally; the European Commission would have to consider what action it was taking with its responsibilities for customs, and indeed individual Governments would have to consider the action that they were taking in those circumstances.



HOUSE OF COMMONS

As you know, the proposals that the European Commission have put forward so far have been based on the assumption that, if you do not have that frictionless trade, there is that border in place. What I am saying is if we were in the circumstances of no deal, all the parties concerned would have to consider what action they would take. You ask me about the fact that I have said that no deal is better than a bad deal. I stand by that. I think that that is right. I think a bad deal—for example, some have suggested that we would be prepared to pay “any price” for something—would not be a good deal for the United Kingdom.

Q8 Hilary Benn: You have always been very clear about that, Prime Minister. There was nothing new in the White Paper on the backstop proposal for Northern Ireland. As you know, the absence of an agreement on a backstop is currently holding up the withdrawal agreement. Will you be proposing that the common rulebook with the EU, which you have now embraced in the White Paper, will also apply to the backstop, thus filling in the gap that you identified when you published your backstop proposals? You said, “We’ll need something on regulations.” You have now proposed a common rulebook. Would you apply that common rulebook to the backstop proposal?

The Prime Minister: As you correctly say, we have not yet finalised the discussions that we are having with the European Union on the backstop and the description of the backstop within the withdrawal agreement. Those negotiations continue. I will make the point that we have put forward a proposal for frictionless trade that deals with the Northern Ireland border issue.

I have always said—as you know, this was confirmed by the European Commission in the December joint report—that plan A, i.e. the overall relationship between the UK and the EU, is the preferable route to take in terms of dealing with the Northern Ireland border. That is what we have published in our White Paper. As we come to discuss the withdrawal agreement with the European Union and the European Commission, we have obviously committed to having that legally operative backstop in the withdrawal agreement, but discussions are still taking place as to the nature of that backstop.

Q9 Hilary Benn: When will you complete the backstop proposal, having offered an incomplete proposal last month? When will you put in the full proposal?

The Prime Minister: The discussions and negotiations on the backstop proposal—and we remain committed to the backstop being in the withdrawal commitment—will continue. People will see what the final details of those are when the final withdrawal agreement is able to be put to Parliament.

Q10 Hilary Benn: So when will the question of regulatory standards relating to the backstop be addressed, which you recognised in the paper you published needed to be addressed? Will that be in the next month or two?



HOUSE OF COMMONS

The Prime Minister: It will be addressed in the negotiations that are taking place.

- Q11 **Hilary Benn:** In the negotiations—all right. If Parliament were to choose to diverge from the common rulebook, and the common rulebook was applying to the backstop, would that not in effect mean a return to checks on the border in Northern Ireland if there were any divergence? If that is the case, doesn't it mean that in practice Parliament cannot diverge from the common rulebook?

The Prime Minister: No. Parliament will be able to make a decision as to whether to diverge from the common rulebook. There is a whole set of processes. It is the case that if the European Union were to put forward a change to part of those rules, there would be a process of determination as to whether that first, affected the agreement that had been entered into, or whether it was not material to the agreement that had been entered into. Secondly, there would be a consideration from the UK side. We set out in the White Paper a number of proposals about parliamentary involvement in that and about how that would be addressed. The question would, as I say, initially be discussed in the Joint Committee, as to whether this was in scope. We would then look to see the degree of change that was relevant in relation to the EU's new rule. Parliament would then look at that. Parliament would, in considering this, look at the operation of the future relationship—

- Q12 **Hilary Benn:** Prime Minister, we have read that in the White Paper and we understand how the system would work.

The Prime Minister: In that case, what I am going through is what you understand, but when Parliament came to its decision, Parliament would take into account several aspects of the operation of the future relationship and it would also, of course, include commitments to Northern Ireland.

- Q13 **Hilary Benn:** Finally from me, can you confirm that your proposed facilitated customs arrangement, assuming it is agreed by the EU, will be ready to go by December 2020?

The Prime Minister: The majority of what is required for the facilitated customs arrangement will definitely, as we have indicated, be in place by December 2020. There is a question as to the speed with which the repayment mechanism would be in place. So far, the suggestion is that that could take longer to be put into place. That is yet to be finally determined. The date at which it will be possible to have that in place is to be finally determined.

- Q14 **Hilary Benn:** So its implementation will be much quicker than the previous two proposals—the max fac and the customs partnership? They were going to take longer than 2020.

The Prime Minister: Yes, the majority of it would be in place by December 2020.

- Q15 **Angus Brendan MacNeil:** You are a survivor, Prime Minister. I often



HOUSE OF COMMONS

think of Gloria Gaynor when I look at you. You are doing well. The can-kicking-down-the-road has been a successful policy and the Government go on, much against what many pundits probably thought. Following up on the Irish border issue, the *Irish Independent* has a story today that says a hard border is inevitable, and a showdown with the World Trade Organisation. Is a hard border in Ireland inevitable? Of course, there are implications for everywhere else.

The Prime Minister: What we have set out in the Chequers agreement, and in more detail in the White Paper, is a proposal for a facilitated customs agreement and the regulatory arrangements that would ensure that we did not have a hard border between Northern Ireland and Ireland. This is one of the factors that we have been considering throughout this process over the last two years, as you know. We waited to trigger article 50 to do some preparatory work for that. We have then been working on all those elements, in what is a complex set of negotiations, and we have put forward a proposal that would deliver no hard border in Northern Ireland.

Q16 **Angus Brendan MacNeil:** Of course, the hard border that is much talked about in Ireland is merely the EU/UK border on the island of Ireland. It is going to apply to every other border that the UK will share with the European Union. What is going to happen at Dover? What is going to happen everywhere else?

The Prime Minister: We have always said that—

Q17 **Angus Brendan MacNeil:** This morning, we had the Dutch hiring 1,000 more customs officers. They are expecting difficulty by the look of it, or are at least preparing for difficulty. Are you?

The Prime Minister: Everybody is. And we are hiring more border officers, because we are preparing for all contingencies. The proposals that we have put forward in the Chequers agreement, as detailed in the White Paper, set out a plan for the future relationship on customs and certain areas of regulation for trade with the European Union, which would enable us to have a frictionless border not only between Northern Ireland and Ireland, but between the UK and other member states of the European Union.

If I may just make this point: from the point of view of the Irish economy, the east-west trade between Ireland and Great Britain is of course a more significant element of their economy than the trade between Northern Ireland and Ireland.

Q18 **Angus Brendan MacNeil:** You say that, but of course these are borders UK to EU. Is your situation that you are out of the customs union, you are out of the single market and you don't have borders? Is that basically what you are telling us?

The Prime Minister: If you have looked at the White Paper and the agreement that we came to in Chequers, you will see that the proposal that we are putting forward is that we are no longer a member of the customs union and we are no longer a member of the single market, and



HOUSE OF COMMONS

we have put forward a proposal for the common rulebook in a specific area of industrial goods and agrifood and the customs arrangement that can go alongside that, which would deliver frictionless borders.

Q19 Angus Brendan MacNeil: Where else in the world does this exist?

The Prime Minister: Well, it doesn't. It is a novel idea.

Q20 Angus Brendan MacNeil: Absolutely. It is a very novel idea.

The Prime Minister: I sincerely hope you would not suggest to me that the only approach the United Kingdom Government can take to this is simply to say, "What else exists and what can we take out of that?", rather than saying, "Actually, what is the arrangement that we think is going to be best for the UK? Let's put that forward and let's argue for that in those negotiations."

Q21 Angus Brendan MacNeil: You say "on the one hand", others might say "pie in the sky". On the other hand, we will have to wait and see which one it is. You triggered article 50 to leave in March 2019, and then went on, in Florence, to ask for 24 months and the EU gave you another 21 months. Do you have enough time for your novel ideas to get yourself out of the European Union, Prime Minister?

The Prime Minister: Yes, we are all working, both sides in the negotiation, to the same timetable. We will be leaving the EU on 29 March 2019. As you have indicated in your question, the implementation period, which is a period that enables businesses and Government to prepare for the future relationship, will end in December 2020.

We are still working to the timetable of ensuring that we have the withdrawal agreement and sufficient detail of the future relationship agreed by October, such that that can come before Parliament. I have always said that when this Parliament—and, indeed, I think the same would be true of the European Parliament, although their job will be a slightly different one—is asked to put withdrawal agreement and implementation Bill legislation through the House, they will want to know what the arrangements are for the future relationship, and that is what we are working to.

Q22 Angus Brendan MacNeil: So, you think you will have enough time. Is a USA-UK trade deal still on the cards, do you think? Yes or no.

The Prime Minister: Yes.

Q23 Angus Brendan MacNeil: Yes, okay. That is worth about 0.2% of GDP. What is your Government's estimate of the loss to GDP from your exiting the EU option? It is 5%, isn't it?

The Prime Minister: Very often people look at this equation as if one substitutes for the other—

Q24 Angus Brendan MacNeil: I just asked you for the estimated figure.

The Prime Minister: No, no. What I am looking to ensure—



HOUSE OF COMMONS

Q25 **Angus Brendan MacNeil:** It is important that we get the figures. You agreed the first figure of 0.2% very quickly. I am looking for you to agree the 5%.

The Prime Minister: You stated the first figure of 0.2%.

Q26 **Angus Brendan MacNeil:** You did not demur from it.

The Prime Minister: What I am looking at is ensuring that we can both maintain a good trading relationship with the European Union and also build on that with improved trading relationships around the rest of the world.

Obviously, one of the initial things we will be doing is looking at continuity of those agreements that the European Union already has with certain parts of the world, where we are a member of those, so there is no cliff edge for the businesses involved in those, and then look to improve on those trading agreements.

Q27 **Angus Brendan MacNeil:** It is 5% damage that your Government estimates, which is about two and half times the cost of the crash of 2008. To replicate that with the American-style agreement you are going to need about 25 to 30 of that type of agreement to make up the difference.

It really is a case of having bought the Rolls-Royce, having crashed the Rolls-Royce, you are now going down the second-hand car shop to look for the best possible second-hand car for the United Kingdom. It is not going to make up for the damage you have chosen, with your Government, by going for quite a hard Brexit and the economic damage you are doing, is it?

The Prime Minister: First, what we are doing is delivering on a vote that was taken by the British people. Parliament voted six to one to give the British people a choice.

Q28 **Angus Brendan MacNeil:** I am talking economics here and the amount of damage.

The Prime Minister: I am sorry. The alternative to what you are suggesting is staying in the European Union.

Q29 **Angus Brendan MacNeil:** So, you accept economic damage is there.

The Prime Minister: No, I am not accepting that.

Q30 **Angus Brendan MacNeil:** I would like to address economics.

The Prime Minister: You are talking about the position we are in, in terms of the negotiations for leaving the European Union. The reason we are doing that is because we asked people what they wanted to do. They have said they want us to leave the EU and that is what the Government will deliver.

Q31 **Angus Brendan MacNeil:** Not in Scotland. They're being taken out against their will.



HOUSE OF COMMONS

The Prime Minister: In delivering on it, we are delivering on what people voted for, such as an end to free movement, but we are also ensuring that we do it in a way that protects jobs. That is what the Chequers agreement delivers; that is what the White Paper delivers.

Angus Brendan MacNeil: We will have a referendum in Scotland to discuss that. Thank you.

- Q32 **Yvette Cooper:** Prime Minister, can we just return to the issue of the borders? Under the proposal for the facilitated customs agreement, are you still proposing that EU countries will not have to collect any additional or different tariffs for the UK?

The Prime Minister: No. The concept of reciprocity is in the White Paper.

- Q33 **Yvette Cooper:** Yes, but in a way that is ruled out—

The Prime Minister: The concept of reciprocity is in the White Paper. What we propose in the White Paper is a formula arrangement, so that there would be a formula agreement for the sums of money that would be collected by the UK for those goods that were coming not just to the UK but into the European Union through the UK, and a sum of money that would be related to those goods that would enter the European Union destined for the United Kingdom.

- Q34 **Yvette Cooper:** Okay. It sounds really complicated.

The Prime Minister: It is not. Formula agreements are things that exist elsewhere.

- Q35 **Yvette Cooper:** To start with what is happening at the border first, at our border we will collect EU tariffs for goods that are heading to the EU. Will we or won't we expect EU countries to collect our tariffs on good that are destined for the UK?

The Prime Minister: What we have put in the White Paper and what we expect is that EU countries—we say EU countries; in fact, the way that the EU does this is not necessarily through the individual countries in terms of the way that the payments are made—that the sums of money that would be relevant for goods that are entering the European Union destined for the United Kingdom would be paid to the UK. So there would be a reciprocity in payments.

- Q36 **Yvette Cooper:** It says very clearly, or at least I thought it was clear, on page 17: "However, the UK is not proposing that the EU applies the UK's tariffs and trade policy at its border for goods intended for the UK." Is that still the case?

The Prime Minister: You will see earlier in that paragraph that "the UK proposes a tariff revenue formula, taking account of goods destined for the UK entering via the EU and goods destined for the EU entering via the UK." The important thing here is that there is reciprocity in the sums of money that would be paid.

- Q37 **Yvette Cooper:** So I am asking about what happens at the border.



HOUSE OF COMMONS

The Prime Minister: What we are saying is a good would not enter the European Union destined for the UK without the European Union expecting, through the arrangement, money to be recognised as being due to the UK as a result of that.

- Q38 **Yvette Cooper:** Okay, so suppose we have different levels of tariffs. Let's suppose we have lower tariffs on goods coming from the US and Europe has lower tariffs on goods coming from New Zealand, for example. We would then collect the higher EU tariffs on the goods coming from the US, when they came in through Liverpool or wherever. For goods coming into the EU from New Zealand, would we expect the EU to collect higher tariffs for us or would we expect them to apply their own EU tariffs at the border?

The Prime Minister: What I am saying, and what the paragraph says, is that this is not a question of somebody physically handing cash over at the border. The way that we would deal with this would be a formula revenue agreement between the European Union and the United Kingdom, which would reflect what was required for goods entering the European Union destined for the UK, just as the money relevant to the EU would reflect goods coming into the United Kingdom and destined for the European Union.

- Q39 **Yvette Cooper:** But a payment has still got to be made somewhere. If the goods are coming in from New Zealand and they are arriving at a port in Italy, for example, or in Spain or somewhere, and we have a higher tariff on those goods from New Zealand, where is that higher tariff paid? Is it paid when the goods arrive in Spain or in Italy, or is it not paid when the goods arrive in Spain or Italy?

The Prime Minister: As I say, there will be a formula agreement with the European Union in terms of the sums of money.

- Q40 **Yvette Cooper:** I am interested in the business—the importer. When do they pay?

The Prime Minister: Importers will be under a requirement to ensure that they have paid the correct tariffs.

- Q41 **Yvette Cooper:** To Spain or to Italy?

The Prime Minister: What matters is what money comes to the United Kingdom.

- Q42 **Yvette Cooper:** I know. I just don't know how we are going to get it if they haven't paid the extra money.

The Prime Minister: There are two elements, as I have said, to this. We are having a tariff revenue formula—an agreement with the European Union, which relates to the sums of money that are due from one side to the other in the movement of goods. Added to which—

- Q43 **Yvette Cooper:** But the formula only applies to what happens between the Governments.



The Prime Minister: Yes.

- Q44 **Yvette Cooper:** What happens? When is the importer going to pay the extra money? Are they going to pay the extra money when the goods arrive in Spain or Italy, or are we going to have to charge them when those goods get transferred from Spain across to the UK? How are we going to make sure that the importer pays the fair tariffs?

The Prime Minister: First of all, there is going to be a requirement on businesses to ensure that they are paying the correct tariffs. What I am saying is that the overall concern from the United Kingdom is surely to ensure that the arrangement we have with the European Union is relevant to and reflects the flow of goods between both, and the nature of tariffs that are relevant in relation to goods coming from different places, and that that money is therefore able to be exchanged in relevant sums between the two.

- Q45 **Yvette Cooper:** But you can't exchange money that has not been paid. I still do not understand. When is the importer paying the extra tariffs, if we have got different tariffs in the UK, compared with the EU? As I understand it, that is what you want to happen. You want us to be outside the common external tariff; you want us to have different tariffs from the rest of the EU. If we have those different tariffs, where is the money going to be paid?

The Prime Minister: What matters to us—first, one reason for having different tariffs is being able to lower your tariffs, so that you can encourage trade around the world. You are rather assuming that there are going to be certain circumstances in which the United Kingdom is going to say, "Well, actually, we are going to charge higher tariffs than the European Union is charging."

What matters is that we have an agreement, such that, for goods that are crossing the border, the money that is paid between the European Union and the United Kingdom reflects those goods. Obviously, this is part of the proposal that we are putting forward to the European Union and there will be elements of this that we will discuss with them and negotiate in terms of exactly how that tariff revenue agreement would be entered into.

- Q46 **Yvette Cooper:** Here is the problem. I am really baffled as to what is going to happen and how these differential tariffs are going to work. I am even more baffled because we have still got this statement in the White Paper that says that we are not going to have the EU applying the UK's tariffs and trade policies at the border, but you accepted an amendment—new clause 36—two days ago, that requires this reciprocity, and the Government will account to HMRC for those duties and taxes collected in that country on a reciprocal basis.

So, we do not have reciprocal arrangements, whether it is at our border in Liverpool or at the border in Spain and Italy. Isn't the problem, and the reason we seem to be going round in circles on this, that you are not being straight about the language and about what it is that you are actually proposing? Everybody is confused and, as a result, nobody trusts



HOUSE OF COMMONS

what the Government is doing.

The Prime Minister: I have been very straight about the language; not just straight in saying it but it is published in the White Paper. What we are proposing is a reciprocal agreement with the European Union in relation to the exchange of tariffs that are paid on external borders for goods entering the United Kingdom destined for the EU, and for goods entering the European Union destined for the United Kingdom.

Q47 **Yvette Cooper:** And you hope that is going to be in place and working by 2021.

The Prime Minister: We—

Angus Brendan MacNeil: Good luck.

Q48 **Chair:** Did you want to answer that?

The Prime Minister: I answered the question from our point of view. The future facilitated customs agreement will indeed be—we are aiming to negotiate for that.

Q49 **Yvette Cooper:** It is baffling, it really is.

The Prime Minister: I am not sure what is baffling about us exchanging sums of money that are relevant to both parties, but there we are.

Chair: We are now going to move on the Science and Technology Committee and Norman Lamb.

Q50 **Norman Lamb:** I want to come on to something that we should all be able to agree on: the importance of science collaboration. You will understand that there are a lot of people in the science community who are deeply anxious about the uncertainty that we currently have.

You very helpfully talked about a far-reaching science and innovation pact. I think you now call it an accord; I don't think that makes much difference. But we haven't heard anything about the progress you have made on that. Where has it got to and what is the timescale for getting this completed, so that we can have certainty for the science community?

The Prime Minister: First of all, we have been trying to give some certainty to the science community in terms of what is already in existence and the Horizon 22 projects.

Q51 **Norman Lamb:** They are worried about the future and planning research projects for the future beyond that date.

The Prime Minister: I recognise that and I recognise that was the import of your question. I just wanted to get that on the table, so to speak. We have had some positive exchanges with the Commission on the science and innovation front. Obviously, what we are proposing in the accords needs to be agreed as part of the overall future relationship and the negotiation we are doing there.



HOUSE OF COMMONS

On the timetable for that, as I said in answer to an earlier question, we are all working to have that agreed by the autumn. October is the date that was originally set by the European Commission.

Q52 **Norman Lamb:** So you hope you could have your far-reaching accord in place by the autumn.

The Prime Minister: What people have been working to for the autumn is agreement on the overall relationship. The science and innovation accords will be part of that. I am working to have sufficient detail so that people have the confidence of knowing where they are going to stand in the future. Just to be clear, that will not be an absolutely full legal text on every aspect of the future relationship.

Q53 **Norman Lamb:** But you have said that you want—it is your ambition—to remain a participant in what will be Horizon Europe, the successor programme, and the science community sees that as vital. Indeed, Dr Patrick Vallance on the radio this morning said that keeping continuity of science collaboration is an absolutely key aim that we must keep right. Is it still your ambition to be part of Horizon Europe?

The Prime Minister: It is still an ambition. We want to make sure that we have got those science and innovation accords in, and we continue to want to look at the question of Horizon Europe. Obviously, we have to look at exactly what Horizon Europe is going to entail.

Q54 **Norman Lamb:** We know what the programme is. We know the details of the prospective programme, which we participated in negotiating.

The Prime Minister: As part of the negotiations with the European Union, we will be discussing, of course, what the basis of a UK outside the EU involvement in Horizon Europe could be. As you are well aware, there are countries outside the European Union that are able to participate in these programmes.

Q55 **Norman Lamb:** You have talked about the need for an appropriate level of influence, because we are one of the biggest contributors to the programme. What does that mean? The EU appears to be clear that third countries will not have a vote. If that is the case, does that mean that we will not be part of Horizon Europe?

The Prime Minister: The point is that these will be part of the negotiations. Exactly what would the package of involvement look like? We have that ambition. We think that makes sense for the European Union as well, given the world-leading nature of many of our universities and much of the research that is done here in the UK. We obviously need to negotiate as to what those parameters for our involvement would be.

Q56 **Norman Lamb:** In all of the evidence we have taken, the thing that people are most concerned about is people: I think you described it as the flow of the brightest and the best. It is at all career levels. It is not just the top, but the lab technicians, the postgrad students and so forth. And it is not just in academia; it is in commerce and industry as well. Are you committed to ensuring that we have an immigration system in place for EEA citizens and also the wider world that enables us, in a seamless



HOUSE OF COMMONS

way, to get the best people to work in this country for the good of our economy?

The Prime Minister: We have always been committed to ensuring that the brightest and best can come to the UK. Free movement will end when we leave.

Q57 **Norman Lamb:** We are talking about skilled workers.

The Prime Minister: What we will be doing is to set out—obviously, these will come before Parliament—the immigration rules that would apply for people coming from within the European Union in the future once we have control of our immigration rules for people from the European Union. We have, as you know, a set of rules that apply for those who are outside the EU at the moment. The Migration Advisory Committee has been doing a piece of work and will report later this year on the input and contribution of EU workers and their impact on the UK economy. That will provide an evidence base against which we can then bring forward the proposed immigration rules for the future.

Q58 **Norman Lamb:** Have you made any progress on Galileo, because this is a vital project that involves a lot of UK collaboration? A lot of jobs are at stake here, quite apart from our security interests and the reason why we are involved in it in the first place.

The Prime Minister: There continue to be difficulties on Galileo and we continue to talk to the Commission about them. What we are also doing alongside that—if we can't be a member of Galileo in the way in which we think we should be and which is important for our participation—is looking at taking a project ourselves and going it alone, if you like, potentially with others, and not being part of Galileo, but I recognise its significance.

Chair: We come now to the European Scrutiny Committee and Sir William Cash.

Q59 **Sir William Cash:** Thank you very much indeed, Chairman.

Prime Minister, when and how did you in No. 10 make substantial and unexpected changes in the White Paper proposals in the run-up to Chequers? Did you and/or Olly Robbins show the proposals to Angela Merkel and/or the EU before showing them to the Cabinet? If so, this prima facie would be contrary to the ministerial and civil service codes. Did you ask the Law Officers for their opinion on the White Paper before the Chequers meeting, as required by the ministerial code and, if so, was the consultation with them—I use the words in the ministerial code—"in good time" given its critical legal and constitutional importance, and if so when?

The Prime Minister: First of all, I have seen a suggestion that we actually took copies of the White Paper and showed it to people outside the United Kingdom. We did not. You ask about the ideas in the White Paper. In fact, some of the ideas in the White Paper that perhaps have caused most debate and discussion following the Chequers agreement and the publication of the White Paper, were set out as potential issues for us to look at in the Florence speech that I gave last September. There had



HOUSE OF COMMONS

been discussions about these throughout—that was slightly fleshed out in the Mansion House speech that I gave earlier this year. Those proposals were there and were considered and looked at by Ministers.

We then decided the route that we were going to take, and spent time discussing that with the European Commission. Obviously, in terms of the negotiations with the European Union, it became clear that that was not negotiable. Alongside that, of course, we were looking at the customs arrangements in relation to the two options that had originally been on the table and then refining those two options to ensure that we could deliver on the frictionless trade on the border, and the no-border with Northern Ireland.

What became clear was that it was necessary to evolve the Mansion House position. In advance of that Cabinet meeting, there was discussion about that particular issue but, as I say, the underlying concept was one that had been previously discussed, because it was there in the Florence and Mansion House speeches.

Q60 **Sir William Cash:** And the Law Officers? Did you ask them for their opinion in good time as required by the ministerial code, and what was their response?

The Prime Minister: As I know you will know, Sir William, we do not normally give in public details of Law Officers' opinions that are given to the Government, but I can assure you that all those who needed to be involved in this, and who needed to look at this from their responsibilities, were involved.

Q61 **Sir William Cash:** And that did include the Law Officers, as a matter of fact?

The Prime Minister: As a matter of fact, the Law Officer sits around the Cabinet table and is somebody who is consulted through that process.

Q62 **Sir William Cash:** Thank you. The common rulebook is an EU rulebook. The former president of the EFTA court has very recently—in the last few days—stated that, under it: "The UK would recognise that the ECJ is supreme on the interpretation of EU law". Under the independent arbitration system, we would agree to refer questions to the ECJ. The ECJ will determine not only the interpretation but also the outcome of any disputes.

Under the similar Ukraine, Georgia and Moldova treaties, the ECJ in practice decides, not the arbitrators. Given what the former president of the EFTA court has so recently stated—I think it is generally understood that he understands this stuff very well—how on earth could you argue that the White Paper discontinues ECJ jurisdiction? How do you reconcile, as I asked you in the House the other day, the repeal of the 1972 Act with the continuing application of the functions of the European Court of Justice to the UK when, as you know only too well, section 3 of the European Communities Act 1972 is the jurisdiction of the European Court over the UK and domestic law? Under the repeal Act, that will be repealed on exit day.



The Prime Minister: We acknowledge in the White Paper the role that the European Court of Justice has in being the determinant of the interpretation of European Union law, but we will not be under the jurisdiction of the European Court of Justice. Through the proposals in the White Paper, as we say, in cases where there is a dispute that involves the interpretation of EU law—with the industrial goods acquis, of course, there is a significant amount of case law already in existence in relation to the interpretation of those rules, many of which have been stable and have not changed for some time—it will be possible through those processes to ask for an opinion from the European Court of Justice on the interpretation of EU law. The European Court of Justice would not determine any dispute that is in question. The court of one party cannot be the arbiter in a dispute between the two parties.

Obviously we have the hierarchy of determinations of disputes, if you like. The European Court of Justice, by definition as the arbiter of EU law, would have an influence in cases even if we had no deal with the European Union. If you were a business that was exporting to the European Union on the basis of EU rules, and your importer, for example, raised a dispute about whether you had met those EU rules, the arbiter of that EU rule would be the European Court of Justice. For disputes that are taken before the courts in the UK, they will be determined by the UK courts.

Q63 **Sir William Cash:** I understand that that is the direction and trajectory of your answer, but I still leave on the table the questions that I have asked. I remain unconvinced at the moment, but we shall no doubt continue this in due course.

The Prime Minister: I suspect, Sir William, that you and I may have some further lengthy discussions on some of these legal issues.

Chair: Thank you. We are going to have to move on to the next section, with Sir Bernard Jenkin, the Chair of the Public Administration and Constitutional Affairs Committee.

Q64 **Sir Bernard Jenkin:** Thank you very much, Chair. Good afternoon, Prime Minister.

The White Paper talks about stepping up plans for no deal. So far there appears to have been some reticence about making announcements about what is being prepared for in the event of no deal, so what is the basis for deciding when to announce what is being done in preparation for no deal?

The Prime Minister: There are two approaches, or two aspects, that we have looked at. The first is obviously the work that needs to be done by the Government in determining the preparations, and the second is the point at which it is important to be able to ensure that others outside Government who would need to be involved have the information that they need.

Looking at the Annunciator I see that we are not yet on the EU debate, which is later this afternoon, but the Secretary of State for Exiting the EU



will be setting out today that over August and September, we are going to be releasing a number of technical notifications to set out what UK citizens and businesses need to do in a no-deal scenario. So we will be making much more public awareness of the preparations. We imagine that about 70 of those technical notices are going to be issued, so that is taking the next step. The Cabinet agreed that we needed to step up our no-deal preparations, and part of those preparations is making those technical notices available to those who need to know that information.

- Q65 **Sir Bernard Jenkin:** Thank you. You have ruled out the option of negotiating an FTA with the European Union, because they will not negotiate with us without the backstop. They will not countenance an FTA without it. That is correct, isn't it?

The Prime Minister: Yes, but this is where language is important. If we talk about a free trade agreement, the European Union has a single concept of what a free trade agreement is. It is like the agreement with Canada—that is a free trade agreement. What we are talking about is a much wider and more ambitious overall partnership with them. Obviously, at its heart is a free trade area with the EU, but that is why we do not use the term “free trade agreement”. You are right: the two options that were on the table from the EU were, on the one hand, EEA plus free movement and a customs union, which I think would not reflect the vote, and on the other, a free trade agreement that was less good than the Canadian free trade agreement, but with effectively a border in the Irish sea.

- Q66 **Sir Bernard Jenkin:** One of the reasons you have given for not going for a Canada plus-plus-plus free trade agreement is that they will not negotiate with us on the basis of Northern Ireland remaining in the same customs area as the rest of the United Kingdom. They will not do that, will they?

The Prime Minister: Their proposal was for a free trade agreement that split Northern Ireland off from Great Britain.

- Q67 **Sir Bernard Jenkin:** Okay. So if we have a WTO Brexit, with or without a withdrawal agreement, can you give us an assurance that it will be a WTO Brexit for the whole of the United Kingdom, and that there is no question of splitting Northern Ireland from the rest of the United Kingdom under those circumstances?

The Prime Minister: I have said on many occasions that one of my targets—one of my aims—for the negotiations is to ensure that we retain the United Kingdom together. I believe that that is important and that our Union is very precious. I will certainly work to ensure that we can keep the United Kingdom together.

As I said in response to earlier questions, in a no-deal scenario, of course we will have to consider what action we take and others will have to consider what action they take.

- Q68 **Sir Bernard Jenkin:** But that means that the no-deal planning, or the WTO Brexit planning, is planning for an invisible frontier in Northern Ireland.



HOUSE OF COMMONS

The Prime Minister: What happens in relation to the planning that is taking place at the moment is an element that we have to look at as we undertake the no-deal planning. The preparatory work is being undertaken across a range of Departments and in a range of ways.

Q69 **Sir Bernard Jenkin:** The question is very simple, Prime Minister.

The Prime Minister: And I am being careful in answering, because I have already answered a question like this and I do not want there to be any misunderstanding between the answers that I give to the same question.

Q70 **Sir Bernard Jenkin:** But is the Government planning for an invisible customs frontier in Northern Ireland? You have to—that is part of the no-deal planning.

The Prime Minister: As we look at the no-deal planning, one of the elements that we have to consider is the whole question of the border in Northern Ireland.

Q71 **Sir Bernard Jenkin:** I do not think we will get any further on that one.

For matters such as the regulation of chemicals, aviation safety, food safety and, indeed, medicines, on which the House of Commons voted yesterday, presumably no-deal planning includes draft legislation to provide for regulations of those products in our market. When will we see that legislation?

The Prime Minister: No-deal planning involves looking at any legislative requirements that are needed for all those points. I do not have a timetable for any required legislation at the moment; we have already put through some legislation for a no-deal scenario in terms of our preparations for leaving the EU. For example, work has been undertaken in relation to EASA. You would be looking there at possibly—probably—a set of bilateral agreements. The Department for Transport is looking at that.

Q72 **Sir Bernard Jenkin:** But we will probably have to have regulations under the EU (Withdrawal) Act to replace those functions. Let us hope that the EU gives us those bilateral agreements; it would be destructive and vindictive of them if they did not. When do you think we will see those draft regulations or draft Bills?

The Prime Minister: A whole range of primary and secondary legislation will be brought forward over time. We have already passed the EU (Withdrawal) Act, the Nuclear Safeguards Act and the Sanctions and Anti-Money Laundering Act. We expect to lay approximately 40 EU exit SIs before the recess. The work is ongoing. A significant number of SIs need to be laid in all those areas.

Sir Bernard Jenkin: Thank you very much, Prime Minister.

Chair: Thank you. We come on to the Transport Committee now and Lilian Greenwood.



- Q73 Lilian Greenwood:** Prime Minister, I am sure that, like many people, you are looking forward to jetting off on holiday. We even understand that you were quite keen to get away early. When people come back from their holidays, they want to book their flights for next year, and at the moment, that is looking uncertain.

Last autumn, the Secretary of State was confident that the Government would have made clear progress on aviation by this summer, but we have yet to see anything concrete. How close are we to having the necessary post-Brexit aviation arrangements in place to retain access to the EU's single aviation market?

The Prime Minister: As we have set out in the White Paper, we want to, as part of the future relationship, explore options that would enable the UK to continue to participate in EASA, as a non-EU member state. We are moving at pace in terms of negotiations, as I have said, in relation to the future framework, because we want that to be sufficiently complete by the autumn of this year—obviously, the full legal text is to follow thereafter. We believe that what is in this White Paper is the right package that we can put forward. As I have said, what the Department for Transport are also doing is looking at what would happen in a no-deal scenario and what arrangements would need to be in place in a no-deal scenario in order to ensure that planes can keep flying.

- Q74 Lilian Greenwood:** Grounded planes are in no one's interest. We were told that they are very unlikely. You have now said potentially autumn. Does autumn mean September, October, November or December? What is holding up progress on a deal in this vital area?

The Prime Minister: It is going to be part of a future relationship. The future relationship, which we published in the White Paper, has been put to the European Union. We have started having discussions with the European Union on the basis of that future relationship. The timetable that everybody is working to is to have that future relationship agreed in sufficient detail by October, such that when this Parliament looks at the withdrawal agreement and implementation Bill, it will know what the details of the future relationship will be. That is the timetable that we are working to.

- Q75 Lilian Greenwood:** The Secretary of State confirmed last October that the aviation industry would need comfort that we are making progress by next summer—that is this summer. We are well into summer. Should we not have had some of those things nailed down by now?

The Prime Minister: As I say, the Department for Transport is working with the aviation industry to ensure that the necessary arrangements will be in place. We have made a specific proposal in here about EASA and participation in EASA as part of the future relationship, and that future relationship is being negotiated, as I said, with that timetable that was set of October. As you say, it is in everybody's interest to ensure that the planes can still fly. That is not just in our interest; it is in the interest of others in the EU27.



HOUSE OF COMMONS

Q76 **Lilian Greenwood:** So we were promised progress by the summer, and now you are saying that that has slipped to the autumn.

The Prime Minister: No, I am not saying that progress has slipped to the autumn. I am saying that this is an ongoing negotiation at a variety of levels. The future relationship is being negotiated with the European Commission with a view to that agreement by October. The Department for Transport have also been discussing, with a number of countries, the arrangements that could be put in place if there is no agreement on a multilateral basis with the United Kingdom for those proposals, to ensure that whatever the outcome is, the planes can still fly.

Q77 **Lilian Greenwood:** Are we in negotiations on bilateral agreements with each of the 27 EU countries, in addition to other international bodies?

The Prime Minister: We are in discussion where it is necessary to be in discussion to ensure that if there is no deal—this is part of no-deal preparations—that the planes can fly. If there is, what we are proposing here is an arrangement that would enable that to continue to happen in the circumstances in which we have a deal—as part of the deal. Alongside that— it is not just the Department for Transport obviously—the Civil Aviation Authority is also working with the aviation sector. It is making the preparations that are necessary for it. Obviously, we propose participation in EASA, but it is also making the preparations necessary were it to be the case that it had to operate outside EASA.

Q78 **Lilian Greenwood:** Why hasn't the Government got on and struck a good aviation deal with the US, with some concessions if necessary, to leverage progress with the EU and provide some certainty to the airline industry and passengers? Are there sticking points in the negotiations with the United States and, if so, what is holding up progress on the deal with the US on open skies?

The Prime Minister: We have had a number of rounds of negotiations with the United States on this issue. We are confident that we will be reaching an agreement with them.

Q79 **Lilian Greenwood:** When are we expecting that? Wouldn't it have been good to have got that deal in place to put more pressure on the EU to reach agreement about the UK-EU arrangements?

The Prime Minister: We will conduct the negotiations and put the arrangements in place when they need to be put in place.

Q80 **Lilian Greenwood:** Does that mean that when people come back from their holidays in a few weeks' time and start thinking about booking flights for next year, they really won't know whether those flights will operate, or whether there will be any arrangements in place to give them that certainty?

The Prime Minister: As you will recall, we do look at what will be in place post-March 2019, but of course we also have an implementation period up to the end of December 2020, and we are looking at the relationship that will be in place at the end of that implementation period.



HOUSE OF COMMONS

Some things could be put in place at an earlier stage within that implementation period. The Department for Transport is working with the aviation sector, and with Governments within and outside the European Union. As we have put forward, this is for negotiation with the EU27 collectively. We think that is the right way forward with the deal, but we are making the preparations necessary to ensure that, whatever the outcome of the negotiations, we still have those arrangements for planes to fly.

- Q81 **Lilian Greenwood:** So book your flights at your own risk, I think.
- Q82 **Chair:** It is very concerning. We will now move on to the Environment, Food and Rural Affairs Committee, chaired by Neil Parish.
- Q83 **Neil Parish:** Good afternoon, Prime Minister. I think that the answer is to come to the West Country for holidays and not worry about flights. There must be times when you feel that you are damned if you do negotiate with the EU and damned if you don't. I very much welcome your decision at Chequers with the Cabinet and the White Paper in relation to agrifood, because I think that rules need to be dealt with. Some 13% of manufacturing industry in this country is food and drink, and much of that food is produced here, under very good welfare and environmental conditions. Also, I think that much of the trade between Northern Ireland and the Republic is in perishable food, and it crosses the border several times.

My question is about fishing. The fishing industry contributes £1.3 billion to the economy and supports 34,000 jobs. Some 708,000 tonnes of fish are caught, and a lot of that is processed here. For our coastal communities and fishermen, that is very important. We are leaving the EU to become an independent coastal state. At the moment EU countries take something like six times the amount of fish from our waters as we take from theirs, so it is an ace card in our pack as we negotiate. Our fishermen want to make sure that they get their fish back. What they want to hear from you, very clearly, is that their fish will not be negotiated away. We could not only get our fish back, but build our coastal communities, and our processing, and it could be a really positive step after leaving the European Union. That is the reassurance I seek.

The Prime Minister: First of all, we will be coming out of the common fisheries policy and we will be acting as an independent coastal state. Of course, there are issues about actually fishing, and then there is the question of access to markets in relation to fishing products. In terms of the access to waters that our fishermen will have, we want to be sitting there as an independent coastal state. Obviously, as you will be aware, there are annual negotiations—there is the EU structure within the common fisheries policy, but more generally there are annual negotiations about access to waters. We will be part of those as an independent state. I am very careful about the way in which fishing has been approached in the White Paper; it is separate from the other elements of the economic partnership precisely because I recognise the concern that the UK fishing industry had when we went into the EEC, as it then was.



HOUSE OF COMMONS

Q84 **Neil Parish:** There is no doubt that the fishing industry lost out dramatically. I ask the question because fishermen are bound to be slightly worried that, when you are sitting at the negotiating table discussing some sticky points about other trade issues, it is tempting to start to negotiate away some of that extra fish. I accept that it might take one or two years to get there, but the fishermen want to be absolutely certain that they will get their fish back and they will not be traded away.

The Prime Minister: No, we are going to ensure that control of our natural resources is distinct from the negotiation of the future economic partnership.

Q85 **Neil Parish:** So the fishermen can be assured that they will get their fish back.

The Prime Minister: It will be a separate negotiation and a separate part of the agreement.

Q86 **Neil Parish:** Therefore it is not going to be a bargaining tool—you can say that quite clearly—as we negotiate our way out of the EU. The EU want greater access to our fish because they have it at the moment, so they are bound to try to play hardball on it.

The Prime Minister: We want this to be—this will be a separate agreement and a separate part of the negotiations we are undertaking with them. This will not be jumbled in with the other elements of the trade relationship, in the way that it was in the past.

Q87 **Neil Parish:** So fishermen can rest easy in their beds.

The Prime Minister: We want to ensure that, as you say, we not only restore the independence of the UK in terms of determining access to its waters; we also have the opportunity, as you say, to see our fishing communities built up and the benefits that that will bring.

Q88 **Neil Parish:** The very final question is that, of course, as we get those fishing rights back and the fish back, the quid pro quo is that a lot of it is traded into the European Union, so the deal on making sure that the agri-food market works for an extremely perishable product is even more important.

The Prime Minister: Yes.

Neil Parish: Thank you.

Q89 **Chair:** Before we move on to the next section on air quality, can I ask a further point about contingency planning? You mentioned in an answer to Sir Bernard that you will be issuing technical notices in August and September to those who need to know. What about the wider public? What sort of information will you be giving the wider public about all the different contingencies you are planning for in the event of no deal, and the costs that would be involved in them? Will you be very clear and



HOUSE OF COMMONS

transparent with everybody about the range of areas where you will be making preparations? Will you be making that information available to the public?

The Prime Minister: I think we will be making more information available generally about the preparations that are being made. The technical notices are obviously very specific to those who need to consider how they, personally, or their business is preparing for the potential circumstance of no deal. Making those available will obviously be part of making more information available more generally on the preparations that are taking place.

Q90 **Chair:** As Lilian Greenwood has pointed out, there are very many wide-ranging areas in which no deal would not be better than a bad deal, and where there could be very significant impacts on individuals. Will you be setting those out so that the public can see what the potential implications could be?

On the Health Committee, for example, we have looked at the very many implications if we do not have access to the European health insurance card after we leave the European Union in the event of no deal whatsoever. It would effectively mean that people with long-term health conditions would be uninsurable when travelling to the European Union. Are those the kinds of areas that you will be laying out for people?

The Prime Minister: If I may, there is an issue here. We are looking to negotiate a deal and to do so by October. At that point, of course, the question will come to Parliament. We have the meaningful vote. We then have the potential WAIB—the withdrawal agreement and implementation Bill. At that point, with an agreed deal, obviously it will become clear to people what the future relationship is going to be and what the basis of that future relationship will be.

If you are asking me whether we are going to say to people here and now, “If there is no deal, you will not be able to do A, B and C,” I would say that preparedness for no deal is about making sure that Government, business and those who have to take actions to prepare for no deal are able to do that and to do so in a timely way, because some of these actions may take time to put in place.

Q91 **Chair:** That’s right, but it is also about letting the public know well in advance what kind of issues will arise for every Government Department and for them in their everyday lives.

The Prime Minister: We are working for a deal; we are working for a good deal.

Chair: We all appreciate that.

The Prime Minister: If it were to be the case that we were in a no-deal scenario, then obviously the information that it would be necessary for the public to have would be made available to them.

Q92 **Chair:** But the point is that it looks as if we are getting closer to the



HOUSE OF COMMONS

possibility of no deal. Everyone appreciates that you would like to achieve a good deal—we all realise that. This is about setting out very clearly what the consequences of no deal would be, what the planning necessary for that would be, and what the potential costs would be, so that that is very clear to the public.

The Prime Minister: You have based your question on an assumption that we are getting closer to a no-deal scenario. I do not believe that is the case. We have put forward a proposal for what the future relationship should be. We believe the future relationship should be with the European Union and we are in negotiations on the basis of that. The timetable that I have set out in answer to other questions still remains, in relation to having sufficient detail of this agreed by October.

Q93 **Chair:** I accept that you do not accept the premise of my question, but there is still that growing possibility, I feel, that we could end up with a no-deal scenario; and my question was will you be laying out for the public what the consequences of that will be, very clearly?

The Prime Minister: If we are in a no-deal scenario then we will lay out the consequences for the public.

Q94 **Chair:** You won't do it in advance.

The Prime Minister: What we are doing at the moment is working for a deal, and that is the basis on which the Chequers agreement was made; it is the basis on which the White Paper is made; it is the basis on which we started discussions with the European Union. At this point what we are doing is saying we will ensure, as we step up our no-deal preparations, that those technical notices are issued over August and September so that those who need to have that information have that information.

Chair: You have made that clear.

The Prime Minister: With due respect, I think what you are asking me to do is to do something else, which is to set out the argument for no deal versus the argument for a deal, rather than actually saying we are working for a deal, and we will make sure that those who know—

Q95 **Chair:** Prime Minister, with respect, I am asking you to set out for the public—because I think sometimes the public don't realise the scale of the issues that we would be facing, and the costs and the absolute necessity that we start planning now, because time is getting so short. So I guess my request to you is will you agree to publish this so that the public can see what the consequences are, and what you are planning for?

The Prime Minister: What we will be doing is ensuring that more information is available on the preparations the Government are making for no deal, that we publish the technical notices so that those who need to make the preparations for no deal are able to do so.

Q96 **Chair:** You have made that clear, Prime Minister. My concern was for the wider public understanding of what the consequences are.



HOUSE OF COMMONS

We are going to move on to an entirely different subject, and that is air quality. Opening the questioning is Lilian Greenwood.

- Q97 **Lilian Greenwood:** Prime Minister, I am sure you know our four Committees produced a Report which called for a joined-up approach from Government on air quality, including improving public transport and incentives to reduce the need for private vehicle use. Your Government has a policy on modal shift for freight—moving freight from the road on to rail. Does the Government have an explicit policy on modal shift for other road users, moving people from private cars on to public transport?

The Prime Minister: Encouraging the use of public transport is a key part of decision making that is taken within the Department for Transport, but it is through providing passengers with a range of options and information on their journeys that we think is the approach, so that they can make informed choices and they can take the mode that best suits their particular needs. We will be setting out in our future of urban mobility strategy plans for ensuring that public transport is at the heart of urban travel. Transport modes, transport options are going to change as the technology is evolving, and money is obviously being put into public transport, but it is ensuring that the public have the information that enables them to make an informed choice that lies at the heart of this.

- Q98 **Lilian Greenwood:** But in terms of what you have already published, we have got the clean air strategy and “The Road to Zero”, and they focus only on reducing emissions from vehicles, rather than supporting modal shift—reducing the need for private vehicles. Shouldn’t you have clear targets for increasing the share of journeys by public transport?

The Prime Minister: Obviously the clean air strategy that we have set out is an overarching strategy which has a number of elements within it.

- Q99 **Lilian Greenwood:** But what are you aiming towards in terms of public transport if you don’t have any set targets to aim for?

The Prime Minister: Obviously we want to ensure that public transport is available, that there is information for individuals so that they can make an informed choice as to whether or not they choose to use that public transport.

- Q100 **Lilian Greenwood:** It sounds to me like you want a choice, but you are not very worried about the outcome. Surely you should have a target that you are aiming for: you want to increase the proportion of travel by public transport, rather than by private car.

The Prime Minister: What we want to do is ensure—. You are making an assumption that the modal shift is a key way in which we can deal with issues such as air quality, but there are a number of ways in which we can deal with that, as we have set out in the strategy and the various approaches that we have taken. The Department for Transport looks, when it makes decisions, at encouraging public transport use, but the way to do that is to ensure that there are a range of options for passengers and that information is available about those options so that they can make informed choices.



HOUSE OF COMMONS

In the past, one of the complaints has been that people would use public transport if only they knew that it was available to them in their locality and where they could get to by using public transport. Making information available is a key element of encouraging people to use public transport.

Lilian Greenwood: Not if the public transport is not there, however.

Q101 **Neil Parish:** Right, Prime Minister, this Government have promised to leave the environment in a better state than we found it, and we have a Secretary of State who is keen on the environment, and rightly so. Our joint inquiry called for a new clean air Act to set out clear, comprehensive legislation and an approach to air quality that would help to fulfil that promise. What is your timetable for the promised primary legislation on air quality, and will you commit to introducing a new clean air Act that adopts tougher pollution targets in the UK? It is everyone's right, wherever we live, in a city or not, to have good, clean air, and if we are really keen on a better environment, cleaner air is absolutely essential.

The Prime Minister: You are absolutely right that we have made a commitment to be the first generation to leave the environment in a better state than we found it. Clean air is an element of that, but I want to be a little more ambitious than simply introducing a clean air Act. We will introduce an environment Bill, and clean air will be part of that Bill. There has not been an environment Act since 1995, so we want to introduce an environment Bill that will—

Q102 **Neil Parish:** —that will incorporate clean air.

The Prime Minister:—that will incorporate a range of issues. Clean air will be in that.

Q103 **Neil Parish:** It is absolutely essential that we target clean air. What we found in our joint inquiry was that it was cross-departmental—it is transport, local government; all those things. DEFRA is responsible for it as a Department, but a lot of reasons for cleaning up the air are to do with Transport and other Departments. How do we get the whole Government to work together to deliver clean air? It should be a right to have clean air. There should not be premature deaths in this country because of polluted air.

The Prime Minister: I recognise that this is something that does not just affect one Department. It is not just an issue for DEFRA—it encompasses a number of Departments, both in the action needed and in the positive impact that it will have. The Department of Health, for example, will benefit, as individuals benefit from cleaner air. We think that an environment Bill that includes clean air, but also includes some of the opportunities that we think will be available to us after we leave the European Union in this area of protection of the environment is the right way. As I said, we can be ambitious in this, and become the first Government since 1995 to introduce an environment Bill.

Q104 **Neil Parish:** I welcome that. I think the Treasury ought to recognise that



HOUSE OF COMMONS

in cleaning up air and spending money on improving air quality we increase the health of our population, so we should therefore decrease the cost of the health service. I am not entirely sure that it makes that calculation.

The Prime Minister: It is one of the great challenges in government. Throughout time, Governments have found it difficult to find a way of ensuring that Departments recognise how spend in one area can be a benefit in another. We do it through a lot of cross-governmental working, but I fully take the point that this takes cross-governmental working in order to deliver.

Q105 **Neil Parish:** My final question on this. Our inquiry found that the amount of funding committed to local authorities, to help them to tackle air quality, was completely inadequate and would not ensure that legal compliance is achieved as fast as possible, as the High Court ordered. Since March, DEFRA has more than doubled the number of councils needing to produce action plans, but funding commitments have only increased by 0.4%. Manufacturers of diesel cars have played a significant role in the air quality crisis. Why are the Government refusing to make the automobile industry contribute to a clean air fund? Surely, this is money they should cough up.

The Prime Minister: You are absolutely right, as I would expect. On 23 March, DEFRA issued the ministerial direction to 33 local authorities to develop their feasibility studies by the 31st of this month, considering measures, as required, that could achieve compliance in the shortest possible time, it provided £1.65 million to support them with that process. We have also encouraged local authorities to apply for the air quality grant 2017-18.

Q106 **Neil Parish:** The question is also when we are short of money— and we always need money—if there is a pot of money out there from the car industry, which it seems other Governments across Europe and America have been a little more successful in getting, why are we not extracting money with menaces?

The Prime Minister: I am not sure about extracting money with menaces, but we have already seen some voluntary contributions from the private sector. The joint venture to implement a high-powered charging network for vehicles across Europe was announced by the leading manufacturers last year. The reason for setting out the timetable in relation to the local authorities' work is that when they have submitted their targeted feasibility studies, by the end of this month, we will have a clearer view on any possible additional funding requirements. We do want to work with the manufacturers to tackle this issue. Of course, we would welcome further voluntary contributions from the automotive sector on this.

Q107 **Mary Creagh:** Prime Minister, you seem to have started with year zero, with the Tory Government, and forgotten the Countryside and Rights of Way Act, the Marine and Coastal Access Act and, of course, the Climate Change Act, which the last Labour Government introduced. We are still



HOUSE OF COMMONS

waiting for your Government to bring in sustainable urban drainage as part of the Marine and Coastal Access Act, but I do think that those measures had some impact on the environment—I certainly hope they did. What we are trying to get at is that we have all seen Volkswagen selling cars fitted with deliberate cheat devices. The US has fined them. Germany fined them €1 billion in the last month or so. Why have you not done the same?

The Prime Minister: Well, if that was the question that Neil Parish was trying to ask, I slightly misunderstood the overall nature of the question he was getting at. I thought he was talking about a much wider use in relation to the interaction with the private sector and the contribution it might make in relation to any expenditure that local authorities needed to make.

Q108 **Mary Creagh:** This is one of the EU's environmental principles, which we will lose post-Brexit—the polluter pays. Other countries make the polluter pay. Why haven't we? Why have we accepted a botched fix that reduces the value of the cars?

The Prime Minister: There are a number of issues that have come up in relation to this question of emissions tests and what has happened with a number of manufacturers. The DfT is looking at this issue at the moment. It has been looking at various issues around emissions testing. We consider that vehicle owners should be compensated for the inconvenience, the uncertainty and the worry that was caused by Volkswagen's actions, as well as for any loss in the value of affected vehicles.

Q109 **Mary Creagh:** When are you going to take legal action? There have been billions of pounds in fines in the US and €1 billion in fines in Germany. When are you going to take action? It has been two years.

The Prime Minister: As I have said, this is something that the Department for Transport is continuing to look at. Ministers are regularly meeting Volkswagen executives in relation to this. The issue in the United States is slightly different from the issue that we have in the United Kingdom, as you may probably know.

Q110 **Mary Creagh:** They have put those executives in prison.

The Prime Minister: Their emissions regulations mean that Volkswagen hasn't yet been able to develop an update that brings the vehicles back into compliance. That is why consumers have been offered compensation, and in some cases buy-backs, in relation to that, but we certainly expect all manufacturers in this case, and Volkswagen specifically in this case, to treat their consumers fairly.

Q111 **Mary Creagh:** When will we see action from the Department for Transport? Germany has the same regulations we have. They have taken action. Why won't you?



HOUSE OF COMMONS

The Prime Minister: As I have said, Ministers from the Department for Transport are in discussion with Volkswagen on these issues.

Q112 **Mary Creagh:** I want to talk about post-Brexit. The Commission is currently taking the UK to court for our failure to tackle nitrogen dioxide pollution, and it is taking you to court as a Government for your failure to act against Volkswagen for using those cheat devices. After Brexit, will there be a UK body that can prosecute the UK Government for environmental breaches?

The Prime Minister: As you will be aware, we are consulting on the nature of an environmental body that would be in place after we have left the European Union.

Q113 **Mary Creagh:** Will it have the powers to take the Government to court, as the ECJ and the Commission have at the moment?

The Prime Minister: We are looking at what is necessary in terms of both the remit of such a body and the powers that such a body would have.

Q114 **Mary Creagh:** So you can't say? You've said there will be no—

The Prime Minister: We are consulting on that. That means we are taking views as to what that body should be.

Q115 **Mary Creagh:** Let's move to that consultation. You have committed to not losing any environmental protections after leaving the EU. Why did that consultation not include any enforcement powers such as the power to fine or the power to take the Government to court?

The Prime Minister: We are committed—the Government are committed—to ensuring that we maintain high levels and high standards of environmental protection after we leave the European Union. We are consulting on the nature of the environmental body we will put in place following leaving the European Union. Obviously, when that consultation is complete, then we will make a determination as to the nature of that body and what we are going to put in place.

Q116 **Mary Creagh:** The legislation to introduce that body isn't going to be introduced until May 2019 at the earliest. What happens to environmental enforcement and protection if we leave without a deal?

The Prime Minister: The legislation will be introduced in due course. First of all, the question rather assumes that, if we leave without a deal, suddenly the United Kingdom is going to reduce our environmental standards. We will not do so.

Q117 **Mary Creagh:** We will have no enforcement for air pollution, no enforcement for waste and no enforcement for water quality. Those three areas will not have enforcement powers. That is currently done by the EU.

The Prime Minister: But the Government will continue to be in the position that we are not suddenly going to reduce all the standards that



HOUSE OF COMMONS

we have. As we look for the no-deal preparations, we will be looking to see where there are areas where it is necessary for us to put in place action that enables us to take action where it is currently taken by the European Union.

Q118 **Mary Creagh:** We fail to meet our 2010 air quality targets—we are eight years on and we are still not meeting them—and we are set to miss our 2020 waste targets and our renewable targets. When you promised no regression in the White Paper, is that no regression from where we are today, or is it no regression from the standards that we have signed up to but are not going to meet?

The Prime Minister: It is no regression from the standards that we are committed to as a United Kingdom that believes that we should have high environmental standards and protect those standards into the future.

Q119 **Mary Creagh:** But it is a legal question, isn't it? Is it the standards that we have signed up that we are missing that we are promising to not regress from?

The Prime Minister: We will be setting out very clearly in due course the standards that we will continue to abide by as a United Kingdom once we have left the European Union.

Q120 **Mary Creagh:** There will be no common rulebook on environmental standards. Why not?

The Prime Minister: The common rulebook is there in a limited area to ensure that we can deliver on a free trade area for trade between the United Kingdom and the European Union, and ensure that we have a frictionless trade across the border, including obviously the border between Northern Ireland and Ireland, but also frictionless trade across the borders with the European Union more generally. It is in that area that we consider that it is appropriate. Our manufacturers will follow those rules where they are exporting to the European Union, and we think it is appropriate to have that common rulebook.

There will be other areas where we are taking a different approach for the United Kingdom but, alongside that, we are very clear about our determination as a Government to maintain high environmental standards. We have a commitment, as we have said, to be a generation that leaves the environment in a better state than we found it. We are not going to do that if we tear up all our environmental standards.

Q121 **Mary Creagh:** Well, we have just written a report, so you'll see what we have to say on that next week.

The Prime Minister: I look forward to it.

Chair: We are going to move on to another area—defence expenditure. We will start with Dr Julian Lewis. For those following from outside the room, there is now a graph on our website that Dr Lewis is going to refer to.

Q122 **Dr Lewis:** Thank you for coming this afternoon, Prime Minister. We are



HOUSE OF COMMONS

constantly told that defence is the first duty of Government, and you personally have a strong record of securing the renewal of the nuclear deterrent at one end of the military spectrum, and investing major resources against cyber, hybrid and terrorist threats at the other.

However, the Defence Committee and the Public Accounts Committee have identified a black hole in the defence equipment budget, which, unless it is filled, puts at risk the conventional armed forces in the following way. If that black hole is not filled, we could lose 11,000 soldiers, 1,000 to 2,000 Royal Marines, one or both amphibious assault ships, several frigates, several dozen helicopters and about 80 armoured vehicles.

If defence is indeed the first duty of Government, why is it possible to find an extra £20 billion a year for the health service, and not even one tenth of that amount needed to fill a black hole in the defence equipment budget that puts the future of our conventional armed forces at risk?

The Prime Minister: As you will know, we have agreed that we will spend around £180 billion on defence equipment and support over the next 10 years. That enables us to have a joint force for maritime task group, centred on the Queen Elizabeth-class aircraft carrier with the F-35 Lightning combat aircraft; a land division with three brigades, including a new strike force; an air group of combat, transport and surveillance aircraft; and a special forces task group.

We also continue to develop and invest in new conventional capabilities, as I am sure you will know. The F-35 Lightnings are now flying out of RAF Marham in the UK. We continue to prepare to receive nine new Boeing P-8 maritime patrol aircraft. The first of our eight new Type 26 frigates—HMS Glasgow—is undergoing construction. As you know, the manufacture of the new Dreadnought-class nuclear armed submarine is under way. The Army is accepting the £4.5 billion Ajax family of armoured vehicles. There is the ongoing development of a new mechanised infantry vehicle. There is a significant commitment by this Government to defence equipment and support over the next 10 years.

Q123 Dr Lewis: The problem is that the equipment project is not affordable without an injection of further cash. I have let you have a couple of tables, and if you wouldn't mind, I would like you to look at the one that shows what has happened to defence as a proportion of GDP.

You didn't mention the much-trumpeted fact that we are standing fast by the 2% of GDP NATO minimum commitment, but in reality, the last time we were in a confrontational situation with Russia, coupled with a major terrorist threat, was in the 1980s. If you look at the graph on the other side of that sheet of paper, you will see that in that period in the 1980s, we were spending roughly the same amount on defence, education and health. That was not 2% of GDP, but always between 4.5% and 5% of GDP.

Now we still spend about 4.5% to 5% of GDP on education, but we spend 8% of GDP on health, so we are spending four times as much on health as we spend on defence, and we cannot afford the defence equipment



HOUSE OF COMMONS

programme. Why cannot more money be found for the first duty of Government, when £20 billion is being found for the NHS, which already has a multiple budget in comparison with the defence budget?

The Prime Minister: As you know—you're right, I didn't reference the 2% of GDP—we are committed to increasing the defence budget every year by 0.5% above inflation, so extra money is being put into defence, but I would say there is a need, and this is where the Modernising Defence programme comes in, to ensure that the money we are spending on defence is being spent as effectively as possible, and is being spent in the areas of the capabilities that we need. I continue to believe that it is important. You have referenced the spending on the national health service; I believe that is important. I believe that as we see the changes that are taking place and the increased pressures that come from aspects such as demographics in relation to the health service that it is important that we have made that commitment to the health service.

We have made commitments to defence and in the Modernising Defence programme we are looking at both ensuring that money is being spent as well as it can be and asking the question about what capabilities are needed for the future.

Q124 **Dr Lewis:** It is a fact that we have already had one serious round of defence cuts in the 2010-15 Government and it was only after that that we got anywhere near coming down to the 2% bare minimum. The sort of arguments you are giving me today are the ones that I have heard time and again from previous Defence Secretaries in office, including Sir Michael Fallon.

Sir Michael Fallon is now freed from the constraints of office and he is saying, quite clearly, that we need to be spending 2.5% of GDP by the end of this Parliament if we are not going to be sucked into this black hole in the defence equipment budget. In reality, if you look at the figures, traditionally we always spent a much greater proportion of GDP on defence than on these other areas, in terms of the increases that they are receiving compared with ours. The increase you are talking about will take us up from, say, 2.18% of GDP to 2.19% of GDP, but unless we get up to about 2.5% of GDP we will have these major equipment and personnel cuts. You do not want that to happen, surely.

The Prime Minister: What I want to ensure is that we have the defence capabilities—the armed forces—that are what we require in order to meet the threats that we are dealing with. We are a leading defence nation; we will continue to be a leading defence nation. And the Modernising Defence programme is precisely about looking, as I say, at the question of what capabilities we need to deal with the threats that we face, alongside making sure that the Ministry of Defence is a Department that is spending its money as effectively as it can and should be.

Q125 **Dr Lewis:** Finally from me, if you would kindly look at the other table that you have there and the column for the 1980s, which, as I say, was the last time we were confronted by an assertive if not aggressive Russia, you can see there that in the first half of the 1980s we were spending



HOUSE OF COMMONS

just over 5% and in the second half of the 1980s just over 4.5% of our GDP on defence. Our NATO European allies were spending significantly less—just over 3.5% and just over 3%—in each of those periods.

The United States, by contrast, was spending significantly more—nearly 6% in the first half of the 1980s and over 6% of their much larger GDP in the second half of the 1980s, so will you accept that it has always been the case that we have significantly outspent our European NATO allies and that that is one of the reasons why the Americans have been prepared to put so much extra in to defend Europe from threats from the east, because we have done more than our fair share, and shouldn't we continue to do so?

The Prime Minister: We are currently one of the few member states sitting around the NATO table, as you will know, that meets the 2% commitment for the GDP spend on defence and that also meets the 20% commitment—that 20% of that budget be spent on equipment. We have been working alongside the United States, as I did last week, to ensure that other countries sitting around that table actually meet their commitments and recognise the importance of meeting those commitments in the future.

I think the United States also looks at the capabilities that we are able to bring to the table in terms of defence capabilities and we obviously have an important relationship with them, but we also have an important role to play in the defence of Europe.

Chair: The Chair of the Foreign Affairs Committee, Tom Tugendhat, would just like to ask one quick supplementary question.

Q126 **Tom Tugendhat:** It is a quick supplementary. Given that the two pillars of our international strategy have been the EU, which I think has been adequately covered, and NATO, which we have touched on in financial terms, and given the quite extraordinary press conference we saw in Brussels, a second one in Chequers, and a third one in Helsinki, and the concern that this has raised among many of our allies that the NATO alliance itself is being called into question by the US President, what strategies are Her Majesty's Government bringing forward to ensure that a hostile Russia, which has already murdered 298 civilians on an aircraft over Ukraine, attempted to murder a Prime Minister in Montenegro and, indeed, corrupted many different parts of our alliance in the east—what strategy have you thought of bringing to bear on Moscow? Are you thinking of suing them?

The Prime Minister: As you will know, we take a number of actions in relation to Russia. The unity that the international community showed after what happened in Salisbury was, I think, important. It was the United Kingdom working with others to give a very clear message to Russia that they could not act with impunity in that way. On this issue, this is where a number of other issues need to come into play. This is one of the discussions we had at NATO, because it isn't just a question of looking at conventional approaches to dealing with the malign state activity of Russia; it is also in relation to the action that we take on the



HOUSE OF COMMONS

interference and attempts at manipulation that they show through the use of propaganda—

Tom Tugendhat: Including in politics.

The Prime Minister: Involvement in politics, but propaganda, cyber-attacks and so forth. That is why it is necessary to look at perhaps a wider range of responses than would have been conventional, say, in the 1980s.

Chair: We come to the final section on the restoration and renewal project.

Q127 **Chris Bryant:** This is the bit you've been waiting for, isn't it? This is the real excitement—absolutely riveting. The House decided unanimously on 31 January—the House of Commons and then the House of Lords as well—that we wanted to set up a sponsor body and a delivery authority to look after the Palace of Westminster, because I think everybody accepts that it is one of the most iconic buildings in the world. We have had angels falling off parapets on to cars. We have had chunks of sewage on people's desks. We have had all sorts of problems in the building that need to be rectified. When are we going to see the legislation that will make this happen, because it has already been seven months?

The Prime Minister: We are going to support bringing forward legislation. We intend to publish a draft Bill this year, but as Members will know, we have a very busy legislative programme. I recognise, though, the importance of the Bill. I recognise the importance of dealing with the state of the building. Indeed, when I was Home Secretary, my outer office was flooded and it wasn't just water.

Q128 **Chris Bryant:** But the problem is that you are just talking about draft legislation now, and we have to make big decisions very soon. The sponsor body is going to have members, I think, next week, but it won't have any powers. We will have inconsistency about how we are handing over this relationship until we have legislation. I might gently suggest that we have periods when it feels like it is a very light legislative programme, and then sudden moments when it is absolutely crazy. Surely we could get this legislation through by next spring in this parliamentary Session?

The Prime Minister: Just on the timetable that is being followed, once the motions were passed, officials did work with the House authorities to instruct on a Bill, and parliamentary counsel has been drafting and refining it to prepare for publication. We propose to publish it in draft because we think that that gives an opportunity for the scrutiny that Parliament will want to have of the Bill before it is introduced.

Of course, the Government are taking the legislation forward. We are doing it on behalf of both Houses and on behalf of Parliament. We want to make sure that Parliament has that maximum opportunity to look at this as a draft Bill. Obviously, as you say, the shadow board is being formed, and is about to come together with representatives from across both



HOUSE OF COMMONS

Houses. I am sure they are going to provide a significant drive in the work that they are going to be doing.

Q129 **Chris Bryant:** But the problem is, if we only have draft legislation in this Session, the legislation will not be completed for another 18 months. The body will have been in existence for 18 months without clear lines of responsibility, and without the professionalism that I think we all hope will be brought to bear by doing it at an arm's length. That is yet further delay. It just feels like it is irresponsible in the end.

The Prime Minister: Can I just, with due respect, challenge you on the professionalism of the members of the board. I don't think their professionalism is determined—

Chris Bryant: I am not doubting their professionalism.

The Prime Minister: Good. Sorry, I misunderstood your point.

Q130 **Chris Bryant:** The whole idea of doing it in this way is that the Palace authorities are not the right people to be running a major project of this kind. Everybody agrees that it should be done like the Olympics: you have a sponsor body and a delivery authority that is independent, that is able to use all the professionalism that is available, and that can go into the market and so on to deliver a project on time and on budget. The danger is that if we, the politicians, keep on delaying providing them with the powers because the legislation is not in place, we add cost and we add risk to the programme.

The Prime Minister: It is not the case that they will not be able to start driving the work forward. They will be able to start driving the work forward.

Q131 **Chris Bryant:** No. They won't have the legal powers—until the law is put in place, they won't have any legal powers. It will still be the Commission of the House of Lords and the Commission of the House of Commons that have to keep on doing it. It still ends up being in-house until such time as there is legislation.

I urge you to move as fast as possible, not least because of one of the things we will have to address, which has been there for a long time. One project that has been done really well is the cast iron roofs of Parliament. Large numbers of the staff are from eastern Europe and work for a company in the north-east. They are doing it really well—it is on time and it is on budget. After Brexit, we will have to recruit, retain and—I would suggest—train a large number of additional people in these services. The body will not have the power to do that until it has the law sorted.

The Prime Minister: I am potentially getting into a level of detail—I am not sure about the body itself being the body that recruits, trains and employs people.

Chris Bryant: It is.

Chair: Perhaps, Prime Minister, you could write to us on that point. Sir



HOUSE OF COMMONS

Bernard tells me he has a very short supplementary.

Q132 **Sir Bernard Jenkin:** Prime Minister, I very much welcome the suggestion you are making that there should be prelegislative scrutiny of this Bill. If the draft Bill could be published as quickly as possible, we could get on with that, so that it would go very much more speedily through its formal stages after it has been through prelegislative scrutiny. That would help to speed things up.

The Prime Minister: I take the point that is being made to me about speed. As I said, it is currently with parliamentary counsel, so I hesitate to make any commitments on speed.

Q133 **Chair:** There are many more areas we could have covered, but I know that we are out of time, Prime Minister. In closing, all of us would like to wish you a very good break over the summer. We hope that you are not walking in the Alps—we would like to make another shameless pitch for the west country. Thank you very much.