



## Treasury Committee

### Oral evidence: [The economic and financial costs and benefits of UK membership of the EU](#), HC 499

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Members present: Andrew Tyrie (Chair); Mr Steve Baker, Mark Garnier, Helen Goodman, Stephen Hammond, George Kerevan, Chris Philp, Mr Jacob Rees-Mogg, Rachel Reeves, Wes Streeting

Questions 1359 -1511

#### Examination of Witnesses

*Witness:* **Dominic Cummings**, Campaign Director, Vote Leave Ltd, gave evidence.

**Q1359 Chair:** The organisation, Vote Leave, and a number of other supporters of the Leave campaign have published an estimate of the total cost to the UK of regulation. Are you familiar with that figure?

*Dominic Cummings:* I am familiar with various figures that have been published on this subject.

**Q1360 Chair:** Which one springs to your mind?

*Dominic Cummings:* There are a few different figures that spring to my mind. There is the figure from the British Chambers of Commerce; the Chambers of Commerce did have a series within which they used to address the question of EU regulation. The last one they did was something like £60 billion per year, but they stopped doing it in 2010 or 2011; I cannot remember for what reasons. The main figure that tends to be used is one by Open Europe.

**Q1361 Chair:** What is that?

*Dominic Cummings:* That is, roughly speaking, £30 billion per year—£33.3 billion.

**Chair:** That is per week.

**Dominic Cummings:** No, that is £33.3 billion per year.

**Q1362 Chair:** Do you not know the figure per week?

**Dominic Cummings:** It is roughly £600 million.

**Q1363 Chair:** That is what I am asking for. Do you know how that figure is composed?

**Dominic Cummings:** Yes. They looked at a series of EU regulations and they then looked at the Government's impact assessments of those.

**Q1364 Chair:** Yes. Are you aware that they use only the costs and do not seek to add up the benefits in order to arrive at that figure?

**Dominic Cummings:** I do not think that is accurate.

**Q1365 Chair:** Tell me what is.

**Dominic Cummings:** Their methodology was that they looked at all of these things and the impact assessments. There are some benefits, but Open Europe's conclusion was that almost all of the benefits that the Government had claimed would happen did not materialise.

**Q1366 Chair:** Have you looked carefully at the place in their text at which they have said that the benefits may not materialise?

**Dominic Cummings:** I looked at the report a few months ago; I have not looked at it since then.

**Q1367 Chair:** If you do so you will find that that remarks refers only to the costs and benefits of the removal of climate regulation, not of all regulation.

**Dominic Cummings:** That is not true. If you look at their website that is not what it says. Do you want me to read what it says on their website?

**Chair:** By all means.

**Dominic Cummings:** It has the total cost, and says, "Open Europe estimates that up to 95% of the benefits envisaged in the impact assessment have failed to materialise." That is not referring just to energy, as you mentioned; it is referring to all of them.

**Q1368 Chair:** You will find that the case is as I have described it. In a moment I will read it out to you if you still doubt that. Which, if any of these, regulations—there are in fact 100 of them—are worth keeping?

**Dominic Cummings:** The main point about our campaign is not to argue about the specifics of particular regulations. There are of course individual regulations that almost all people would regard as silly, and they are very likely to be removed after we vote leave. However, our campaign in general is not about, “Should we have more or less of this type of regulation? Should we have more environmental protection or not?” It is much more about the fundamental principle, which is, “Who ultimately controls this regulatory system? Is it this Parliament and our Supreme Court, or not?”

As a campaign we do not have a list which says, “We should definitely bin X% of these top 100”; our point is broader.

**Q1369 Chair:** I am looking now at their document and it is clear that this is only a reference to climate targets, but of course it is the same mistake that Boris Johnson made when he gave evidence. If you do not read it carefully enough to grasp exactly what they do say, it is possible.

**Dominic Cummings:** I am reading the paragraph and that is not what it says here.

**Q1370 Chair:** Given the salience that you have given in your literature to this figure of £600 million per week, it may be advisable that you offer a qualification for the rest of the literature you publish, and make clear that that is all it is a reference to.

**Dominic Cummings:** I will send the Committee a copy of the Open Europe website that I have printed off, which does not say that. Perhaps there are two different documents on the Open Europe website; I do not know. However, I shall certainly send the Committee the copy of the document that I have been given, and you can then make up your own minds about it.

**Q1371 Chair:** That will be very helpful. I would like to come back to the question that I asked you a moment ago, which is about which of the regulations—there are 100 regulations that have been costed by Open Europe in order to create the £600 million figure—may be worth keeping.

**Dominic Cummings:** That is not the way to look at it. There is a broader point as well: as some of the Committee know, I worked in Government for a few years in the Department for Education. One of the areas of EU regulation that was most destructive, that delayed public buildings the most, and cost billions was the whole range of EU procurement, and EU procurement is not even touched on by Open Europe.

One of the great benefits of voting to leave, largely undiscussed in the entire debate, is that we will be able to get out of these nightmarish procurement rules.

PricewaterhouseCoopers did a large audit of them and suggested that it would add 30% to the cost of projects in 200 days. Where you aggregate that over the entire public spending field of hospitals, schools, aircraft carriers—you name it—you are talking about huge amounts of money. The Government unfortunately refuse to investigate this issue, and there are no concrete numbers on it.

That would be one huge gain, but it is very hard to say how many billions you would save.

**Q1372 Chair:** That does not answer my question. I have had two goes so far. There are 100 regulations out there, the cost of which has been estimated and aggregated, and I am asking you which of those regulations in part or whole may have sufficient benefit to warrant being retained. You have not been able to give me a single example so far.

**Dominic Cummings:** Vote Leave does not run campaigns saying, “Get rid of this specific regulation.” There are very few things that we have focused on individually.

**Chair:** Yes, you have made that point earlier.

**Dominic Cummings:** The Clinical Trials Directive is one where the problems with it are so enormous that it is fairly obvious. You have a whole field of Nobel Prize-winning scientists saying, year after year, “This thing is crazy and it is killing people.” That is one example that most people would say should change.

Generally speaking, we do not touch on that because it is not our job to. Our campaign is much more about the fundamental principle of who controls this system.

**Q1373 Chair:** Is it likely that we would want to maintain regulation to ensure that banks are appropriately capitalised.

**Dominic Cummings:** These big investment banks drove the whole system off of a cliff in 2008. Taking back control over regulation of the banks and over vital issues, such as capital requirements, is crucial. I certainly would not trust that to the cesspit of Brussels’ lobbying where Goldman Sachs has people there and its fingers in every pie. This Parliament should decide the rules on how banks such as Goldman Sachs operate.

**Q1374 Chair:** Have you looked at the Capital Requirements Directive?

**Dominic Cummings:** I have not examined it in detail. I know there are some people who say that in some ways what the EU has done in some of these areas since the 2008 crisis has been sensible. However, that is of course not the main point.

**Q1375 Chair:** You do not think it likely that we will want to maintain a measure of higher capital requirements than we had in the run up to the crash.

**Dominic Cummings:** We certainly should do, and I certainly would not entrust decisions on that to the European Commission, European Court of Justice and the Brussels lobbying system.

**Q1376 Chair:** A substantial proportion of the £600 million per day figure for the cost of regulation is in fact an estimate of the gross cost to banks of fulfilling the terms of the Capital Requirements Directive. You do not think it likely that we would want to carry on increasing risk-weighted assets for banks as we have been in the past. This is all implementing only Basel III after all, which is not ultimately derived from EU regulation, but from a broader international agreement of which the EU forms a part.

**Dominic Cummings:** You made a very important point there. One of the great advantages of voting to leave is that Britain will regain its seat in a lot of these international institutions where it is currently represented extremely badly by Brussels. It will be able to argue for its case at the global level, where increasingly these decisions are made—in banking, as you say, but in many other areas you see the same phenomenon; the world is very different than it was in 1985 when Cockfield and Delors dreamt up their cunning scheme of the single market. The world has changed; regulation is increasingly moving to the global level. It is a very good reason to vote Leave.

**Q1377 Chair:** When Open Europe were asked what estimate they made of the annual saving it was feasible to conclude might be obtainable with the removal of that list of 100 regulations, they told us—and this is also published on their website—that the correct figure is not £33 billion, but £13 billion. Are you aware of that?

**Dominic Cummings:** No, I was not aware of that, but, as I said, their document does not include all of the costs of procurement, nor all sorts of other costs of the European Union. All of these numbers and all of these studies on all sides of the campaign and in Government—depending on one’s point of view—the methodology behind lots of these is questionable. If you sat a bunch of physicists down and looked at all of these studies, there is almost nothing that the economics profession produces that would withstand any serious scientific scrutiny. These numbers are really looking at orders of magnitude.

You have the British Chambers of Commerce saying £60 billion, Open Europe totting up numbers and saying £30 billion; what the true figure is, nobody knows. However it is giving you an indication of the order of magnitude of the impact of what the European Union is doing.

**Q1378 Chair:** If nobody knows the true figure, and you are saying that we should be working off of orders of magnitude, would it not be sensible to use the figure that Open Europe themselves say is the maximum feasible likely annual saving from the removal of EU regulation?

**Dominic Cummings:** What we will probably be doing is that we will produce something that brings together a lot of these different reports—the Open Europe report, Chambers of Commerce, a lot of these things—and says, “Here are a range of different estimates and here is a reasonable way of looking at them. The methodology is what it is; nobody should take these things as any specific indicator, but it gives you a rough idea.”

It is in a way similar to the whole issue of what percentage of our laws are made by the EU.

**Q1379 Chair:** We may come on to that, but would it not have been a good idea to have done that work first rather than to be telling us now that you may start to draw together a list of all these various costs and benefits of regulation?

**Dominic Cummings:** We have all sorts of documents and briefing notes. I would be very happy to send you a copy of one that has all of these things laid out, if you would like.

**Q1380 Chair:** What you are saying is that there are a range of numbers. We should not take any particular number that you are using as a headline number—and you are using the £600 million per week and £33.3 billion per annum cost of regulation all the time in your literature—and you are now telling us in evidence that we should set that at a heavy discount and not worry about it or its accuracy too much because it is just one of a range of numbers that may be taken into consideration. Is that summary of your evidence right?

**Dominic Cummings:** Roughly speaking, what you are saying is a reasonable perspective. As I said, campaigns on both sides and the Government produce these economic studies that have various numbers. It is crazy for anyone to take decimal points seriously in these things.

**Q1381 Chair:** This is a decimal point that is moving along quite a long way, is it not? We are talking about a decimal point that has shifted quite a bit from £33 billion to £13 billion at the stroke.

**Dominic Cummings:** Or to £60 billion, according to the Chambers of Commerce.

**Q1382 Chair:** Yes. I am just looking at the figures that you have used as your headline figures for your literature.

**Dominic Cummings:** We use all sorts of figures.

**Wes Streeting:** He keeps saying the same thing.

**Q1383 Chair:** There are some figures more prominent than others and some of the figures you are now saying we should set at greater store than others,

and it is up to us to pick and choose. It sounds to me as if we might do well to not pick and choose any of them.

I would like to move on to EU contributions. How much is in Britain contributing per year to the EU budget?

**Dominic Cummings:** According to the ONS it is £19.1 billion.

**Q1384 Chair:** You are aware that there is a rebate in place, are you not?

**Dominic Cummings:** I am aware that there is a rebate.

**Q1385 Chair:** Do you know how much the rebate is?

**Dominic Cummings:** The rebate is £3 billion or £4 billion.

**Q1386 Chair:** It is £6 billion. Are you aware of what happens to the rebate physically?

**Dominic Cummings:** Yes.

**Chair:** Perhaps you would like to describe that to the Committee.

**Dominic Cummings:** The interesting thing about the rebate is—

**Q1387 Chair:** I have just asked you to describe what happens to the rebate. You have stated that you are aware of what happens to the rebate, so I would like you now to describe it.

**Dominic Cummings:** What happens to the rebate is that there is constantly an enormous row between Britain and Europe about how much of our money we get back. We lose these arguments and we get some of this money back in a very unpredictable way.

If you look at how the accounts are done by the ONS, one of the reasons why they look at the actual figure and not what the estimated figure is, unlike the Treasury, is they have to work out the rebate in arrears to find out where on earth the negotiation got to.

**Q1388 Chair:** Perhaps it is my fault for not being precise enough. What I am asking you is: there is a sum of money—£19 billion per year—

**Dominic Cummings:** Yes, that is debited from the UK Government.

**Chair:** That is you think debited from the UK Government consolidated fund.

**Dominic Cummings:** It is not what I think. That is what the ONS tell you, and defines it itself.

**Q1389 Chair:** It is in fact not debited from the consolidated fund; £6 billion of it never leaves the consolidated fund.

**Dominic Cummings:** It is in fact debited. That is exactly what the ONS says. If you do not like that then you should argue with the ONS, not with me.

**Chair:** I am just telling you that it never leaves the UK.

**Dominic Cummings:** It is debited from the UK.

**Q1390 Chair:** The money stays in the UK for the whole of this period. It never leaves the UK or crosses the exchanges.

**Dominic Cummings:** When you are sitting in your slippers talking to Mrs Tyrie, looking at your bank statements, and it says X amount of money is debited from your account, that means that it has gone from your account, does it not? It is pretty clear what that means. The debiting is exactly what the ONS says here. It is debited from the UK. In table 9.9 of the ONS, that is what it says.

**Q1391 Chair:** I used to work in the Treasury and was in shortly after the Fontainebleau Agreement was negotiated, and as I have just explained to you, this money never leaves the Treasury. It is therefore quite significant that we should work off of figures that have some plausibility. £19 billion is not the figure that we pay across the exchanges; we pay £13 billion across the exchanges.

**Dominic Cummings:** We are debited £19.1 billion according to the Office for National Statistics.

**Q1392 Chair:** That is an accounting procedure, but the money never leaves the UK, Mr Cummings.

**Dominic Cummings:** What happens on your bank statement when you are debited £19? That means that you are debited £19. That is what the ONS says we are debited—£19.1 billion.

**Q1393 Chair:** How much of the EU's expenditure in the UK would we, the UK after Brexit, want to continue with?

**Dominic Cummings:** Of course similarly to the regulatory issue, it is not for Vote Leave to say what should happen. Our fundamental argument is that we should become a normal, self-governing democracy again, and that it should be up to elective



representatives to have these arguments. There are some areas where all sensible people would say that after we vote Leave on 23 June we do not want a whole lot of cliff edges with funding. I have a particular interest in science, for example, and it would be crazy to suddenly stop the huge amount of science funding as soon as we leave.

A lot of the money that is currently spent by the EU in this country, we will continue, some of it permanently and some temporarily. In some areas I would hope that the British Government, freed from the nightmare of Brussels, would choose to spend more money. However, that would be up to the democratic Government of the day.

**Q1394 Chair:** You have said that it is not for you as an organisation to say what would happen, but you have said what should happen in a number of areas, have you not? You have said, “We will pay farmers at least as much as they get now.” I am reading that from your website. You have said, “There will be financial protection for all groups that now get money from Brussels”; again I am quoting from your website. That does sound to me like an organisation that is saying what it thinks should happen with this money.

**Dominic Cummings:** There are various MPs who have spoken at events we have had. George Eustice, for example, spoke about farming and the problems that he says every day with the CAP system. He suggested that there were various ways in which you would deal with the EU payment system after we vote Leave.

We have given some indications, but we have not given a specific and detailed budget because it is not our role to. However, it is important to assure groups such as the Royal Society and farmers that none of the serious people that are likely to be part of the next Government and who are thinking about this, and in a position to make decisions on it, are arguing for a big cliff edge where suddenly this money is taken away. Whichever side of the argument you are on, it seems like a sensible way forward to not have any jarring process with funding.

**Q1395 Chair:** We are agreed, are we not, that where you say there will be financial protection for all groups that now get money from Brussels, there will be a sum of money and a cost of that financial protection.

**Dominic Cummings:** Certainly. Of course.

**Q1396 Chair:** Have you made an estimate of what that might be?

**Dominic Cummings:** No, because it depends on exactly what the Government of the day decide to do and how they decide to do it.

**Q1397 Chair:** It has not interfered with your decision to continue using the £350 million per week figure for gross EU contributions, has it? Bearing in mind that we are not going to get anything like that sum if we are going to continue with all of this financial protection, are we?

**Dominic Cummings:** Bearing in mind that we are debited £19.1 billion per year, according to the ONS, then that sum will be ours to spend as we wish after 23 June.

**Q1398 Chair:** The truth is that you are spending quite a lot of this money before you have even got it back, are you not? For example, you are telling people that there are opportunities for extra money to spend in the NHS, are you not?

**Dominic Cummings:** Certainly; but once we stop being debited £19.1 billion per year then there will be a lot of money to go around. That does not even touch all of the other costs that the EU imposes. I said before, “Imagine what will happen to the school building programme”—and I know this from personal experience, working with Michael Gove in the Department of Education—there will be billions saved over a decade on the school building programme once we are free of the horrific EU procurement rules. The £350 million per week figure that we use is an underestimate of the savings that we will make from leaving the European Union, not on overestimate.

**Q1399 Chair:** What might the right number be?

**Dominic Cummings:** I do not know. At a guess I would say at least tens of billions more than the £350 million per week figure that we normally use.

**Chair:** Let us work off of annual figures. We have a £33 billion figure—

**Dominic Cummings:** Do you want to do a firm estimate whilst we are in the Committee—

**Q1400 Chair:** Or we are talking about the £19 billion figure from the £13 billion that crosses the exchanges and the £19 billion that is identified in the ONS as a gross contribution. Which figure will we save, Mr Cummings?

**Dominic Cummings:** At the very least we will end the debit of £19.1 billion, which is a good start.

**Q1401 Chair:** We are now talking about tens of billions, Mr Cummings. We are just trying to get a feel for how many more tens of billions.

**Dominic Cummings:** That is £20 billion. That is a good start. You then have the EU procurement rules and EU energy costs. There are huge amounts of ways in which the European Union costs us money. At some point in the campaign we will certainly be totting all of these up, and we will certainly send you a copy of the full bill.

**Q1402 Chair:** Why are you suggesting that you might want to allocate to the NHS the whole of the £350 million per week that you say will be saved?

**Dominic Cummings:** Some of our supporters do. We have Labour supporters such as Gisela Stuart and Graham Stringer.

**Q1403 Chair:** I am not suggesting that some of your supporters do; I am suggesting that you do as an organisation. Why are you as an organisation doing this?

**Dominic Cummings:** We often use the figure of £350 billion, which is an underestimate of what the actual figure is.

**Chair:** £350 million.

**Dominic Cummings:** £350 million, sorry. The actual number is £367.4 million. However, so as to not mislead anybody we rounded it down to £350 million.

**Q1404 Chair:** I am just asking you why you are suggesting in some of your literature that you might allocate all of that to extra spending on hospitals. As an organisation you are proposing that.

**Dominic Cummings:** As an organisation we are saying that once we stop the £19.1 billion debit then we will have roughly £350 million per week to spend on our priorities, like the NHS. The NHS is the country's top priority and is a fairly obvious target for where a lot of these savings would be spent.

**Q1405 Chair:** I am asking you the same question a third time. You have made it clear that there are a number of other priorities that you personally may want to spend money on, such as science, and you have agreed that a number of other groups are going to get financial protection. Why have you nonetheless persisted with the idea that this same pot can be raided and used exclusively for the NHS? That is what I am asking you.

**Dominic Cummings:** We are not.

**Q1406 Chair:** I have here one of your posters, which is available and you are encouraging your supporters to download. It gives a clear enough message. To any reasonable persons, that is telling you that we should give the whole of this £350 million per week to the NHS, does it not?

**Dominic Cummings:** We could certainly give the NHS a very large portion of that, but remember also that there is all of the other money that we have saved as well. There is not just the £350 million per week that we save from the budget; there is all of the other money.

**Chair:** So we are going to put the whole of the £350 million in to the NHS and we are then going to fund all of these other things that you are keen on—science and the other financial protection that you are going to provide to all of the groups that now get their money from Brussels—from another pot, as yet unspecified.

**Dominic Cummings:** I specified a few different examples of where the pot comes from: energy regulation and EU procurement rules being two alone that offer billions. There are more than enough billions to go around to put an awful lot more money into the NHS, protect science and agriculture, and still have billions left over.

**Chair:** Billions left over; this sounds like Aladdin's cave to me. I just want to touch on one more point. You are saying in your literature, in hospitals, that we can give a lot more money to hospitals, are you not? You are distributing literature to that effect. You are doing that, are you not?

**Dominic Cummings:** No, we are not. We have not distributed any literature whatsoever to hospitals.

**Q1407 Chair:** I have a piece of literature here with your logo. Is this a pirated piece of literature? It says, "Vote Leave. Take control." It is badged as your literature. It says, "Help protect your local hospital." It has here at the bottom, "Vote Leave. Take control.org." Is that not your organisation?

**Dominic Cummings:** It looks like it is one of our leaflets, yes.

**Q1408 Chair:** So you are distributing these things to hospitals. This was picked up from Guy's Hospital.

**Dominic Cummings:** I saw that story, I think, on a website.

**Chair:** I have one of the leaflets here, yes.

**Dominic Cummings:** Yes. I saw that story on the website last week. We do not have a clue where that has come from. It certainly was not done by us.

**Q1409 Chair:** So is this pirated?

**Dominic Cummings:** No. Well, I have no idea. I very much doubt it.

**Q1410 Chair:** I just want clarity.

**Dominic Cummings:** I am giving you clarity.

**Q1411 Chair:** You have not yet on many of the points that I have been asking. Let me go through some very simple questions. Did your organisation print this leaflet?

**Dominic Cummings:** It looks likely that we did, but I cannot tell about any individual leaflet.

**Q1412 Chair:** You do not know which leaflets might be printed by your organisation. You are running a campaign and do not know—

**Dominic Cummings:** You are misunderstanding what I am saying.

**Q1413 Chair:** I do not think you are understanding the question. I am asking a straightforward and simple question. We are getting down to very simple questions. Is this a leaflet of your organisation?

**Dominic Cummings:** Do you mean that design of leaflet, or that individual leaflet?

**Q1414 Chair:** I am asking you if this leaflet is one of your organisation's leaflets.

**Dominic Cummings:** Yes, it is.

**Q1415 Chair:** Good. We have answered question 1. Now let us try question 2. Is it reasonable that somebody might misconstrue this leaflet at first glance as a leaflet produced by the NHS, since it has an NHS logo in the top right-hand corner?

**Dominic Cummings:** No. It says, "Vote Leave. Take control" at the bottom, with our logo.

**Q1416 Chair:** What do you make of that NHS logo there?

**Dominic Cummings:** What do you mean, "What do I make of it"?

**Q1417 Chair:** Does it look like the logo of the NHS?

**Dominic Cummings:** It looks roughly like it from here.

**Q1418 Chair:** It looks roughly like it from almost any distance. Here is an NHS document encouraging you to eat better food and you will see that the logo is strikingly similar. They are in fact almost identical. It takes an expert eye to tell that the one is not the other. One of them is slightly italicised; the other is not.

**Now that you have had a chance to consider whether you did in fact produce this leaflet and you have agreed that it does look like an NHS leaflet at any reasonable distance, do you think it might be a good idea to think twice about putting out literature as misleading as this?**

**Dominic Cummings:** No, I certainly do not and you are confused about what my answer was before. I thought you were asking me if the leaflet you were holding in your

hand had been put into a hospital and had come from us, and I was saying, “No, it has not come from us”—as in we did not distribute leaflets to the hospital. We are as baffled as everybody else about the story that appeared on the website. That has not happened because of us or at my direction; nobody in the office knows why it has happened. That is what I was saying.

If you are saying you have one of the leaflets from that hospital and you are holding it up in front of me asking, “Is this yours?” my answer is, “It looks like something that we have printed, but it is certainly not something that we have put into Guy’s Hospital.”

**Q1419 Chris Philp:** I would like to start by asking about the costs and benefits of membership of the single market. You have published some figures in which you have assessed the net cost or benefit of the single market. Can you tell the Committee in summary what the conclusion of those figures was?

**Dominic Cummings:** Which document are you talking about?

**Chris Philp:** A briefing titled, “The Single Market is failing British business”.

**Dominic Cummings:** You will have to give me a copy of it if you want me to answer questions about it. There are all sorts of briefings all over.

**Chris Philp:** We have established that already. It says, that the benefits to single market membership are £37 billion and the cost of the UK’s membership fee and 66—not 100—66 single market regulations are £41.7 billion, and you have subtracted one from the other to say that the costs, less the benefits, are £4.5 billion per year. **You are suggesting** that there is a net cost of single market membership of £4.5 billion per year.

**Dominic Cummings:** From what you are reading out, what you are looking at is a bit of research in which we said, “Let us not take our estimate of the single market benefits, but what the European Commission’s best estimate is of the single market’s benefits, and then look at Open Europe’s cost of regulations.” If you give me a copy of the document I will be able to confirm it is, if you want me to. However, from what you are reading out, that sounds like it, i.e. that is not our estimate of the single market’s benefits; that is what the European Commission claims itself.

**Q1420 Chris Philp:** You have come up with a negative number, minus £4.5 billion. Does that mean that, whether we are in or out of Europe, you want nothing to do with the single market because it has a negative effect?

**Dominic Cummings:** How would you define the single market?

**Chris Philp:** The single market. The trading market that exists, which European Union members and Norway are currently members of.

**Dominic Cummings:** The single market is of course not a trading arrangement.

**Chair:** It would be helpful if you answer questions rather than ask them, but do give us an answer to the question you yourself posed; I am sure we would be interested to hear it.

**Q1421 Chris Philp:** You are suggesting that our single market membership carries a cost of £4.5 billion per year. Does that mean that we should not be part of the single market?

**Dominic Cummings:** We are saying that even if you take the Commission's most optimistic prediction of what the benefits are and you take a reasonable assessment of some of the costs of it, you still get a negative number. That tells you something. If you look at the overall economic analysis over the last 30 years, people have not been able to come up with any convincing numbers on the benefit of the single market. Intra-EU trade has in fact gone backwards since the launch of the single market.

**Q1422 Chris Philp:** You are suggesting that this minus £4.5 billion may even be a worse figure than that.

**Dominic Cummings:** I am almost sure the true figure will be worse than that, yes.

**Chris Philp:** Does that mean—and this is really a “yes” or “no” question—you think we should not be a member of the single market, whether in or out of Europe.

**Dominic Cummings:** What do you mean by the single market?

**Chris Philp:** I mean the single market that we currently trade in and that Norway trade in. It is a “yes” or “no” question: should we be part of the single market or not?

**Dominic Cummings:** The single market is defined by the European Union as including membership of the euro and Schengen.

**Q1423 Chris Philp:** That is not true, as we are currently members of it and are neither euro nor Schengen members, so that is clearly untrue.

**Dominic Cummings:** Exactly; that is the point. However, that is how the European Commission and European Court of Justice define the single market.

**Q1424 Chris Philp:** We are currently members of it and that is not how it is operating. It is a very simple question that you are persistently refusing to answer.

**Dominic Cummings:** You are confused about what the single market is.

**Q1425 Chris Philp:** We are currently a member of it. Norway is currently a member of it. Other EU members are members of it, whether or not they use the euro. It is a very simple question. Should we be a member of the single market or not: yes or no?

**Dominic Cummings:** The single market is a political project from Jacques Delors and it encompasses—

**Q1426 Chris Philp:** Can you answer the question: yes or no?

**Dominic Cummings:** I am answering the question. It encompasses economic and monetary union, the Schengen area, and all sorts of other things, including procurement rules that are not to do with trade, and the Clinical Trials Directive, and all sorts of other things.

**Q1427 Chris Philp:** If what you say is true can you then explain to me how come we are a part of the single market without being a part of Schengen or the euro?

**Dominic Cummings:** It is not a question of if what I am saying is true; it is a legal definition in the treaty. Do you want me to read it out to you?

**Q1428 Chris Philp:** Are you saying that the UK is not currently part of the single market?

**Dominic Cummings:** No. You are misunderstanding what I am saying. What I am saying is that the European Union itself defines the single market as including economic and monetary union, and an area without internal frontiers—i.e. the Schengen area. We are already not part of two of the biggest aspects of the single market, and they are two aspects of the single market that are very damaging, in my opinion and the opinion of many people. Other people take a different view. The Chairman of this Committee was a very firm supporter of the euro and the ERM; other people have different attitudes towards different aspects of the single market project.

**Chair:** As a matter of fact I was an opponent of joining the ERM when we did and I have never been a firm supporter of the euro project either, but do not let it worry you, Dominic. It sounds as if you are as fast and loose with those facts as you are with all of the other facts that you have provided so far this afternoon.

**Q1429 Chris Philp:** When I am asking about the single market, I mean the ability to trade freely in goods and financial services within Europe, which we, the United Kingdom, currently do, despite the fact that we are not members of the euro nor signatories to Schengen. You say that this arrangement for the UK costs us at least £4.5 billion and maybe more per year. Should we continue to be part of that arrangement: yes or no?



**Dominic Cummings:** “Even the strongest advocates of EMU will be hard put to argue that it would do better than the ERM.” That is from Andrew Tyrie, the Chairman of this Committee.

**Chris Philp:** With respect, I was not asking about what Andrew said 25 years ago.

**Dominic Cummings:** I am answering the point that the Chairman of the Committee made, that he was not a supporter of the ERM. I am just pointing out what the Chairman of the Committee said.

If you are asking me about the single market, as I have explained, there are two major features of the single market, the euro and Schengen, which are very damaging. There are lots of other areas of the single market that are damaging. Overall, Vote Leave thinks that the single market project has been bad for Europe and Britain.

**Q1430 Chris Philp:** I am being very precise now. The UK has single market access currently today. You think it costs us £4.5 billion or more per year.

**Dominic Cummings:** That is not what we said.

**Q1431 Chris Philp:** You think it costs us money, right? It has a negative cost.

**Dominic Cummings:** Correct.

**Q1432 Chris Philp:** Fine; we can argue about the amount later. Should we continue with single market access as the United Kingdom currently has it?

**Dominic Cummings:** Definitely not because single market access as we currently have is extremely damaging. The single market access that we currently have has forced us to implement the Clinical Trials Directive, which kills an unknown number of people every year because we cannot test cancer drugs properly. That is stupid. We will be much better off when we are outside of things like that.

**Q1433 Chris Philp:** You finally said that you do not want to be in the single market. That took quite a long time, but we got there.

**The figure you quoted, the illustrative £4.5 billion that you think is very conservative, is one you have arrived at by taking the cost of 66—not the 100 we spoke about before—regulations costing, according to you or Open Europe, £22.6 billion per year, and you have added to that the £19.1 billion gross EU figure that you mentioned before, to that. You add those together and get the 41.7. Is it not misleading to use the full £19.1 billion when £6 billion of that never even leaves the UK’s bank account? In fact, were you to exclude that £6 billion, which seems reasonable because we never**

**pay it out of our bank account, there would be a positive number and not a negative one.**

*Dominic Cummings:* No. You have confused the numbers. As I explained before, the Office for National Statistics says £19.1 billion per year is debited from the UK. That is not me or Vote Leave saying it; that is the Office for National Statistics. If you do not like their definition of debit then you should take that up with the ONS, not with me.

**Q1434 Chris Philp:** You may be talking about debit in an accounting sense. There is a simultaneous credit of £6 billion and in terms of cash physically going out of our national bank account, £13 billion crosses the border and goes to Brussels.

*Dominic Cummings:* However, you are then using this argument about the rebate, which has no proper purchase.

**Q1435 Chris Philp:** In what sense?

*Dominic Cummings:* The rebate is not just our money. The rebate is something that has to be argued over and the European Union often says that we do not have it. I will quote the person who is running the In campaign, “It is not a unilateral decision of the British Treasury or the British Government to just say, ‘This is our rebate. We are entitled to it. Pay up.’ The way this works and has always worked is that there is negotiation with the European Commission.” That is a direct quote from the Chancellor of the Exchequer, the person who is running the In campaign, to this Committee.

**Chris Philp:** We do not have to ask them to pay up; we simply do not give it to them. We deduct it at source. We pay them £13 billion, not £19 billion.

*Dominic Cummings:* That is wrong. That is not what the Chancellor says.

**Chris Philp:** The fact is that we pay them £13 billion, not £19 billion.

*Dominic Cummings:* That is not what the Chancellor said. If that is true then you should bring the Chancellor back and ask why he has misled this Committee because that is not what he told you.

**Q1436 Chris Philp:** I think I know who is misleading the Committee.

**You mentioned intra-EU trade earlier; let us talk about that. Your website says, and you repeated it a few moments ago, that the EU’s own figures since 1999 show intra-EU trade has declined. Can you comment on those figures and where they come from?**

*Dominic Cummings:* Over the years I have seen all sorts of studies on this. The Fed in New York did a big study on it a couple of years ago. There are lots of different numbers floating around, but they all show the same rough picture: from when we joined the economic community in the 70s, our trade—

**Chris Philp:** I asked about 1999. Your website refers to 1999. That is the period to today and that is what I am asking about. You say that since 1999 intra-EU trade has slightly declined. I am asking you to say where those figures come from and what they are.

**Dominic Cummings:** You have the document in front of you, not me.

**Q1437 Chris Philp:** I have your quote from your website. I do not know where it came from, which is why I am asking you. You can enlighten me.

**Dominic Cummings:** They will be European Commission, Treasury or ONS figures, whichever one. If you make a note of it, I will send you the exact source for it.

**Chair:** It would be helpful if you made a note of it.

**Chris Philp:** I am looking at the figures from Eurostat, which you perhaps do not think is reliable, but which anyway shows that in nominal terms intra-EU trade between 1999 and last year grew from €1.5 trillion to €3 trillion. Therefore it doubled in nominal terms. In real terms, adjusting for inflation, it was €2.2 trillion to €3 trillion, which is a 39% increase. Even as a share of GDP, the most conservative possible way of defining it, it grew from 17.2% to 20.8%. **On any measure—nominal, real or as a proportion of GDP—intra-EU trade grew in the period of 1999 to 2015.**

**Dominic Cummings:** You have that set of figures. As I said, I will provide you with detailed sourcing for where the other ones come from. We always use official figures so they will be from the Treasury, ONS, or whichever. The fundamental story since the creation of the single market is clear: it was sold as a project that would lead to a huge boost in intra-EU trade, which has not materialised. It has not materialised for Britain. It has not even materialised between Germany, France and Italy, the core of the eurozone.

**Q1438 Chris Philp:** According to this it has gone up by 39% in real terms.

**Dominic Cummings:** You are looking at the wrong figures.

**Q1439 Chris Philp:** You had better raise that with Eurostat because they come from Eurostat. We would be interested to see any alternative figures, should they exist.

**Dominic Cummings:** Certainly.

**Q1440 Chris Philp:** One of my colleagues will be asking about post-Brexit trade arrangements with the remainder of the European Union. I would like to ask one or two questions about post-Brexit trade arrangements with non-EU countries—the rest of the world.

*Dominic Cummings:* You are too clever and quick for me. I did not follow that.

**Chris Philp:** It is okay. I will try again. One of my colleagues in due course will ask about post-Brexit trade arrangements with the rest of the EU. I would like to ask one or two questions about post-Brexit trade arrangements with the rest of the world—not the EU. **What is your straw man or proposed vision for how our post-Brexit trade arrangements with the rest of the world might unfold? What will happen if we leave?**

*Dominic Cummings:* After we vote Leave we will be outside the EU's common commercial policy. We will regain the power to make our own trade deals. We will regain an independent voice in the World Trade Organization. We are at the moment represented in the World Trade Organization and global trade talks by a European Commission, which is dominated by France and French interest, which has scuppered many an attempt to expand international trade over the years. Once we take back control of that ourselves, we will be in a much stronger position to expand free trade and push for a generally more open trading system in the world.

**Q1441 Chris Philp:** Does the British Civil Service, which you have worked closely with in the past, have the institutional capability to do that? Is it of a high enough calibre?

*Dominic Cummings:* I have written about this extensively. There are huge problems with how Whitehall operates these days. There are huge problems with diversion of clever people away from Whitehall. I certainly would not be confident now with the Foreign Office and the rest of Whitehall negotiating almost anything. We have seen what an appallingly cack-handed job they have just done of the last EU negotiations; a lot of these guys cannot negotiate their way out of a paper bag. In the short term, no; there would have to be a huge amount of work done in order for people to raise their game.

**Q1442 Chris Philp:** Yes, you made all kinds of comments about them, saying that they want to run the country, but they cannot run their own diaries. You said that they have the wrong people, with bad education and no training, and that it is a bureaucratic system gone wrong so that duff people are promoted. To rely on these people to negotiate annual arrangements seems like a bit of a stretch.

*Dominic Cummings:* When we vote Leave it is only one part of a general process of national renewal that we need. As I have also written on many occasions, it will be very foolish to think that simply voting to leave the European Union and repealing the 1972 European Communities Act is going to solve all of our problems like a sword of

Damocles that comes down and with one chop solves everything. That is not going to happen. There are profound problems with the modern Whitehall, and with the training and selection of senior decision-makers. It is, generally speaking, appalling.

**Q1443 Chris Philp:** Who would be top of your list for a bilateral post-Brexit trade negotiation, ex EU?

**Dominic Cummings:** An obvious start would be to look at which countries we currently have the closest relations with in general. Since shortly after 1945 the closest relations we have had with countries have been with America, Canada, Australia and New Zealand—the Five Eyes intelligence sharing agreements. They are at the core of national security.

**Q1444 Chris Philp:** Would the US be top of the list? They are the biggest economy in the world.

**Dominic Cummings:** Those five countries are an obvious beginning. We historically have deep ties with them and the same common law system, unlike almost all of western Europe.

**Chris Philp:** I have got it. Are you at all deterred or disheartened by a comment made by Michael Froman, who is the US Trade Representative, who said, “We are not particularly in the market for free trade agreements with individual countries. We are building platforms that other countries can join over time.” **It sounds like Mr Froman** is not going to be terribly receptive to our overture.

**Dominic Cummings:** No, I am not worried. We have been in the EU for 40 years and the EU has made zero progress with any kind of sensible trade agreement. They are now in the process of creating this awful hybrid of TTIP, which is not a proper free trade agreement and is aiming to prop up the interests of various multinational corporations that should not be propped up.

After we vote leave, we will be able to negotiate directly with America, Australia, and these countries. These are our friends. These have been our friends over 200 years. This will be much simpler for us to negotiate these things than it will be via the French middle-man in Brussels, which has scuppered trade.

**Q1445 Chris Philp:** Is the current Trade Commissioner not a Brit, rather than a French middle-man?

**Dominic Cummings:** We all know that trade negotiations have been dominated by the French for 50 years. That is the case now. It is why the recent negotiations with India were scuppered yet again over the French film industry, which happens once every seven years or something; it is a tradition.

**Chris Philp:** Thank you, Chairman. We have established that Vote Leave do not want to be part of the single market.

**Dominic Cummings:** Most of the members of this Committee do not want to be part of the euro or Schengen, at least now if not beforehand, so that is not a controversial perspective.

**Rachel Reeves:** Mr Cummings, your colleague Matthew Elliott said that for an EU referendum, “It would be far more preferable to have two clearly defined options. For such a momentous decision, voters deserve concrete alternatives with clear definitions, allowing the debate to be about two precise positions thereby reducing the scope for mudslinging and the spread of misinformation.” **Mr Cummings, can we assume that clarity from your side is imminent on what that alternative would be?**

**Dominic Cummings:** Michael Gove was clear yesterday about all sorts of things. Once we vote to leave we will end the supremacy of European Union law and the supremacy of the European Court of Justice. In time we will repeal the 1972 European Communities Act, particularly section 2 of it. We will end the free movement of people in particular. We will have a different arrangement with Europe. We will take back control of trade. We will end the menace of the Charter of Fundamental Rights, which gives the ECJ power to rule on practically anything that they want to from now on. It is a clear agenda; it is not a controversial picture either.

**Q1446 Rachel Reeves:** Mr Cummings, even today we have not had clarity for example on whether this money that you believe would be saved would go on the National Health Service, farmers or science funding. It would be fair to say we are lacking—

**Dominic Cummings:** There is plenty of money to go around for all of these great causes.

**Rachel Reeves:** Sorry, I have not finished the question. It seems even today we are lacking that clarity on what life outside the European Union would look like.

**Dominic Cummings:** I do not think so. Michael Gove was pretty clear yesterday. Of course, the fundamental heart of the argument over the European Union is: are we going to be a normal, self-governing democracy, or are we not? If you are a normal, self-governing democracy, by definition the public make choices in elections and vote people like you with your priorities in or out, and the chips fall where they may.

Of course one cannot say, “This is exactly what the future will be. This is how things will work out”. That is not the point of it. The point of it is not for us to say, “Here is our blueprint of what Britain should be like” in any detailed way. The most important thing about the EU is not any individual policy; it is institutions for error correction. Do you have a system in which you can correct errors quickly, learn from things fast, and adjust, which has been one of the great strengths of the Anglo-American system over

200 years, or do you have a system in which bureaucrats and a judicial system entrench ideas in bureaucracy that is extremely slow to move, change, adjust, and adapt to errors?

The Clinical Trials Directive is a classic example. 10 years of Nobel scientists saying it kills people; nothing happens.

**Q1447 Rachel Reeves:** Mr Cummings, if you look specifically at the macroeconomic impact of Brexit, will the Vote Leave campaign be setting out their analysis of the macroeconomic impact of leaving the European Union?

**Dominic Cummings:** We will, but we will not be indulging in publishing any of these snake oil “models” that the Treasury published, no. It is the work of charlatans.

**Q1448 Rachel Reeves:** When will you be publishing that macroeconomic impact, and who will be doing it?

**Dominic Cummings:** We will be publishing all sorts of things on the macroeconomic impact of leaving, but we will not be publishing these spurious numbers like £4,300.

**Q1449 Rachel Reeves:** Mr Cummings, I have heard what you will not be publishing, but what will you be publishing?

**Dominic Cummings:** We will be publishing all sorts of analyses about international trade and how we think things will improve.

**Q1450 Rachel Reeves:** A macroeconomic impact assessment is not just about international trade; it is about GDP, inflation, the currency, productivity, and all those range of issues. Mr Cummings, what I am asking—and if the answer is no, you can tell us that—is whether the Vote Leave campaign will be setting out their analysis of the macroeconomic impact of Brexit?

**Dominic Cummings:** We will set out our analysis of the macroeconomic impact of Brexit, but it will not look like the spurious documents that came from the Treasury.

**Q1451 Rachel Reeves:** Mr Cummings, I have heard what you will not be doing. What I am asking is what you will be publishing.

**Dominic Cummings:** I have answered the question. Of course we will be publishing that.

**Q1452 Rachel Reeves:** Mr Cummings, I also asked who will be doing that analysis for you.

**Dominic Cummings:** You will find out when we publish it.

**Q1453 Rachel Reeves:** And when do you intend to publish it, Mr Cummings?

**Dominic Cummings:** You will find that out when we publish it. We do not publish our grid for everyone in the campaign to look at.

**Q1454 Rachel Reeves:** I look forward to reading it when it becomes available. Vote Leave recently said that it would be exposing the false claims and scaremongering of Bank of England Governor, Mark Carney, and Deputy Governor, Sir Jon Cunliffe. This seems like as good an opportunity as any to do that. Do you think that the Governor's comment that Brexit was the biggest domestic risk to financial stability was an attempt at scaremongering?

**Dominic Cummings:** There are a lot of things that the Bank of England has said recently that are scaremongering, yes. I was campaign director of the anti-euro campaign 15 years ago. I heard all of this back then: "The skies will fall; there will be plagues"—

**Q1455 Rachel Reeves:** I am not asking about something that happened 15 years ago, Mr Cummings. I am asking about the recent comments that the Bank of England's Mark Carney made at this Committee: that Brexit was the biggest domestic risk to financial stability. Do you believe that those comments from the Bank of England Governor were scaremongering?

**Dominic Cummings:** They were not wise.

**Q1456 Rachel Reeves:** Do you believe they were scaremongering?

**Dominic Cummings:** I just said. I used my own words. They were not wise or accurate. The Governor of the Bank of England has made all sorts of mistakes in how he has intervened in this debate, but he is also entitled to share his view with people. Of course other distinguished figures such as Mervyn King have given a very different picture of what they think on these issues.

**Q1457 Rachel Reeves:** Mr Cummings, the reason that I used the word "scaremongering" is because it is the word that Vote Leave has previously used, and you have said that you will be exposing the false claims and scaremongering of Bank of England Governor, Mark Carney and his deputy, Sir Jon Cunliffe. Have you changed your mind; is it not scaremongering?

**Dominic Cummings:** We will be exposing all scaremongering as effectively as we can do in the next few weeks.

**Q1458 Rachel Reeves:** I will ask again: when the Bank of England Governor said to this Committee that Brexit was the biggest domestic risk to financial stability, do you think that was scaremongering?



**Dominic Cummings:** I do think it was scaremongering.

**Q1459 Rachel Reeves:** The Monetary Policy Committee said that “a vote to leave the EU might result in an extended period of uncertainty about the economic outlook, including about the prospects for export growth.” Are the Monetary Policy Committee scaremongering as well?

**Dominic Cummings:** The establishment operates on the basis of herding around conventional wisdom. It is why the establishment has got every big foreign policy decision wrong since trying to deal with Bismarck in the 1860s. Whitehall and Parliament have unfortunately got all the big things wrong since then; and they herd—it is what happens all the time. They herded behind the ERM; they herded behind the euro; now they are herded behind supporting the EU.

However, conventional wisdom changes when crises hit. Look what happened in 2008: all these people did not predict that. An eclectic group of other people, often from outside the economics profession, politics and the establishment, are the people who accurately said, “The financial system is going to fall off of a cliff.” It was not the people that you are quoting.

**Q1460 Rachel Reeves:** Mr Cummings, your campaign is being championed by the Mayor of London and the Justice Secretary; if they are not part of the establishment, I am not sure who is. This is not an issue about the establishment versus everyone else.

**Dominic Cummings:** It is very much about establishment thinking, conventional wisdom, and herding.

**Q1461 Rachel Reeves:** Would you not agree that the Mayor of London and the Justice Secretary are part of the establishment as much as the Governor and Deputy Governor of the Bank of England?

**Dominic Cummings:** No, I would not. They are champions of anti-establishment, anti-conventional wisdom and thinking, and Michael Gove has been like that for many a year.

**Chair:** Like that product of Eton?

**Rachel Reeves:** Yes, I was going to say, “Did his anti-establishment credentials start before or after he went to Eton College?”

**Mr Rees-Mogg:** Lots of old Etonians are anti-establishment.

**Dominic Cummings:** Exactly. You took the words right out of my mouth.

**Rachel Reeves:** I would argue, Chairman, that Mr Rees-Mogg might also be part of the establishment. **The point is that this is not the establishment**

versus everybody else. You have mentioned former Bank of England Governor Mervyn King and the former Chancellor Nigel Lawson; this is not the establishment versus everyone else. Different members of the establishment have taken different views on this referendum and we will find out what the country thinks on 23 June.

**My question remains. The MPC have made those remarks. Do you regard them as scaremongering, or are they just wrong?**

*Dominic Cummings:* They are wrong. As I have explained, when you have big institutional setups like the European Union, which have been around for many decades, and the whole global architecture is built on them, there is an inevitable great reluctance from the other elements of that bureaucracy to see it shaken up. When the ERM blew up a lot of people said, “Stay in it. Fight at all costs to stay in it. Do not discredit the idea.”

You have seen that the euro is now mangling the Greek economy into a nightmare; what is the view of the overall international bureaucracy? Try to prop the system up. Try not to face the fact that we, the guys in charge, cocked it up.

**Q1462 Rachel Reeves:** The Greek people had a referendum, I believe, and they chose that they wanted to stay within the EU. Maybe they are part of the establishment that got all of that wrong as well.

*Dominic Cummings:* Yes, with a gun held to their head. It was a very sad picture and I thought you as a Labour party member would not have liked that.

**Chair:** Order, order, Mr Cummings. Await the question.

**Q1463 Rachel Reeves:** Thank you very much, Mr Chairman. I do not think you not know anything about me or my politics, Mr Cummings, so maybe you do not want to comment on those things.

**Coming back to some of the points that Chris Philp mentioned in his questions on the speech by the Secretary of State for Justice yesterday, in the speech he said, “It is sometimes claimed that we will only get free trade if we accept free movement, but the EU has free trade deals with nations that obviously do not involve free movement. You do not need free movement to have free trade and friendly co-operation.”** Of course that is true, but let us not confuse free trade with the single market, going back to the point that Chris Philp mentioned earlier. Is it not the case that you may be able to get free trade outside of the EU, but if you are outside of the single market you will categorically not get that same trade in services that we get today?

*Dominic Cummings:* As I explained before, there are many aspects of the single market that have been very damaging not just for Britain, but for the entire continent. I also question your assumption that a single market in services is a good idea. I make two points about that. The first point is that people have been talking about this for a long time and it has not developed. The second thing is that a single market in services would actually be deeply destructive for Great Britain. We attract the biggest proportion of

investment into the European Union precisely because we have a different legal system to Greece, Italy, Portugal, Spain, etc. We have a common law system, we have similar courts, contracts, insurance, etc, which is the reason why we suck in all this money from all around the world.

The idea of harmonising our rules on all of this with Greece would be disastrous for these investment flows, so I reject your premise. The idea that we want a single market in services is false. Harmonisation of all of these rules is often damaging. Occasionally it is a good idea, but also when it is a good idea it increasingly makes sense to make those rules at a global level and not at a regional level. There is a very good reason for that: when we make them at a global level, we can then have choice and flexibility about how we implement them. When we take it via the EU route, the ECJ is in charge of how we implement it and stops us ever getting out of it if it goes wrong.

**Q1359 Rachel Reeves:** I am not sure if this is answering my question. In the city where I am a Member of Parliament, in Leeds, financial services are a very big part of our local economy; they are huge employers in the city, so a lot of jobs depend on financial services. At the moment, there are passporting arrangements; if you are abiding by the rules in your home country, you can operate in other European countries as well. That is because we are part of the single market. If we were to leave the EU, you may get free trade agreements, so no trade tariffs, but given the comments of people like Wolfgang Schäuble, it is hard to see that you would have the same sort of trade in services outside the European Union. Would you agree with that? You may think it is a good thing, but would you agree with it?

**Dominic Cummings:** The single most important thing with the City and financial services is that we control the wide boys in Goldman Sachs and JP Morgan who drove the economy off a cliff in 2008. These banks often behave disgracefully. They pay themselves disgracefully. The most important thing is we control their behaviour in this country. Allowing the current system in which Goldman Sachs and all of these people spend millions in the corrupt Brussels lobbying system to rig the rules for themselves is a disaster and we should bring that to an end.

**Q1360 Rachel Reeves:** This may be an interesting point, but it is not answering the question that I posed to you. Goldman Sachs do not have any branches or any employees in the city of Leeds. What I was asking about was the passporting arrangements and whether we would have the same sort of access to the services market across the European Union if we were outside. That is not about regulation, it is about the passporting arrangements that currently exist.

**Dominic Cummings:** Passporting is part of regulation; that is the whole point. The point is who makes all these regulations. Passporting is one aspect of it. My point is the most important thing is that Britain controls the financial regulation for these companies.

**Q1361 Rachel Reeves:** So if we left the European Union, you would accept that one of the consequences of that is that we would not have that access to the single market in services.

**Dominic Cummings:** No, I am not accepting that. What I am saying is how the precise details of passporting are worked out is something that will have to be worked out, but of course there is a huge reason why Europe will want to do that. That is because Britain has the number one financial centre in Europe. They want to be here using our services. There is a great incentive for them to sort out the passporting system, the same as there is for us. My main point is that is not the most important thing. The most important thing is we control the banks. We do not let the corrupt institutions of Brussels control the banks.

**Q1362 Chair:** Sorry to interrupt, but I just want to clarify something. A moment ago, you said that a single market in services would be deeply disruptive for the UK and that we do not want it. Is that correct?

**Dominic Cummings:** Correct. A single market equals harmonisation in Brussels, equals the rule of the ECJ, equals the rule of a legal system, which is not the common law system, which equals the destruction of one of the most valuable assets this country has.

**Q1363 Chair:** It is important that we have clarification. Therefore, the premise on the basis of which policy under successive governments has been pursuing is erroneous. That is, basically, since the Single European Act an attempt has been made to construct a single market in services, which has had a measure, many would argue, of success—not whole but partial. You are arguing that that whole enterprise was a catastrophic mistake by the UK.

**Dominic Cummings:** The whole enterprise has been misconceived from the beginning. Whitehall totally blundered at the very start of this entire process—

**Q1364 Chair:** You are saying yes to what I said.

**Dominic Cummings:** I am saying definitely yes. Cockfield and Delors set the whole single market process away. They conned Thatcher over what it meant. Whitehall has never figured out what on earth is going on with it since. That was all about a single market in services and it would be damaging.

**Chair:** I am sorry to have interrupted you, Rachel. I just wanted clarification of that point. Do carry on.

**Q1365 Rachel Reeves:** Thank you, Chairman. Not being part of the single market is not something you would regard as a sacrifice. You think one of the reasons to leave the European Union is to leave the single market.

**Dominic Cummings:** I think that one of the great reasons to leave the European Union is that we end the jurisdiction of the ECJ and the Commission over all of these things, this whole regulatory regime, of which the single market is the biggest aspect. I would remind

you that the ECJ and the Commission's definition of "single market" includes the euro and the Schengen area.

**Q1366 Rachel Reeves:** We have already had this discussion, Mr Cummings. We are not part of the single currency. We are not part of Schengen. We are not going to be part of those things, but we do have, as you know, access to that single market across the European Union for the sale of goods and services.

**Dominic Cummings:** We are partially part of the single market now.

**Q1367 Rachel Reeves:** Let me just come back to one of your answers. You said that other European countries would want to do deals with us because they want to access, for example, the financial services in London. Would it not be more likely that if we left the European Union, other countries might want to have some of those financial services centred in their capital cities or in their financial centres rather than in London, Leeds and Edinburgh, where financial services is dominant today? Instead of them wanting to do deals, for example, on financial services, they would see this as an opportunity to take jobs from this country to their own countries, and there is a real risk that instead of the UK being the pre-eminent centre for financial services across the European Union, we may find that Paris or Frankfurt take jobs and business from London, Leeds, Edinburgh and other cities.

**Dominic Cummings:** Good luck trying to get the Americans to leave Chelsea and move to Frankfurt. It is not going to happen.

**Rachel Reeves:** Or to Paris.

**Dominic Cummings:** It is not going to happen. We heard all of the same stuff over the euro and it never happened. London's position has strengthened since we stayed out of the euro. We have heard all these scare stories before. They do not mean anything. I have talked to people at Goldman Sachs and these other banks about this sort of thing and what do they say? They say privately, "Of course we have to be in favour of the single market in public. We have to negotiate with the European Commission every day. They have us by the balls. Of course we have to go along with this, but do you think I am going to go and move to Frankfurt? Of course I am not".

**Q1368 Chair:** Just to be clear, the evidence that they have given, both to this Committee and in other fora, making clear that in their view there are benefits to their organisation from membership, net, is false.

**Dominic Cummings:** There are two different things.

**Q1369 Chair:** I just want to be clear: is that correct? I am giving you a very straightforward, simple question. Is it false or not?

**Dominic Cummings:** It is partially correct, partially not. They do think that the current system they have rigged with the European Commission is in their interest and they are right in lots of ways, because they spread their money around Brussels very liberally and they buy regulations that help them. However, the idea that if we vote to leave, these Americans are going to leave Notting Hill and move to Frankfurt I think is for the birds.

**Q1370 Chair:** I just want clarity on that point as well. What you are saying is that they are using cash to bribe their way in Brussels to obtain regulations that suit their firms' interests.

**Dominic Cummings:** On a huge scale.

**Q1371 Chair:** Okay, so they are engaged in a form of bribery to obtain the legislation that best suits them.

**Dominic Cummings:** Definitions of "lobbying" and "bribery" are always very difficult to draw clean lines between, are they not?

**Q1372 Chair:** I see, and what you are saying is that that line is being blurred all the time by Goldman Sachs, at best, and perhaps they are on the wrong side of it. Is that what I am hearing?

**Dominic Cummings:** What I am saying is that everyone knows that Brussels is a deeply corrupt city. Everyone knows that the European Union is a deeply corrupt institution. It cannot even cheat its own internal auditors well enough to hide the fact that its own accounts are dodgy, and every year it has to admit that. That is not a controversial position.

**Chair:** I think we are finally, perhaps not quite in the way all of us expected, getting somewhere this afternoon with this evidence from Vote Leave, who are, after all, the official campaign for those who feel that we should leave the EU.

**Q1373 Helen Goodman:** Thank you for coming this afternoon, Mr Cummings.

**Dominic Cummings:** Thank you for inviting me.

**Helen Goodman:** In the covering letter for Vote Leave's application to the Electoral Commission to be the Leave campaign group, you said, "We are committed to campaigning in a way that will create a legacy for the country's democratic processes and traditions". I wonder if you could explain how this squares with the plans that you expressed to the *Telegraph* in November 2015 that you would target the annual meetings of companies that support remaining in the EU.

**Dominic Cummings:** It slightly depends what it is you are talking about. There has been an exercise by the CBI, a dreadful organisation that has consistently misrepresented business opinion, to try to use its weight with the BBC and to persuade people that most businesses are in favour of the EU and in favour of further integration. As you will have seen, the British Polling Council described their last attempt at doing this as “dodgy”. There are also all sorts of complicated aspects of how various—

**Helen Goodman:** You will be aware that “dodgy” is a word that we do not use in Parliament.

**Dominic Cummings:** I know it is a word you do not use in Parliament. I am directly quoting what the British Polling Council described the CBI’s methodology as—“dodgy”. That is not my term. That is the British Polling Council’s description of how the CBI conducts itself. These things need to be exposed. I witnessed exactly the same process on the euro campaign in 1999, when they lied repeatedly about their membership then. They lied about how many members they had. They lied about how they were surveying them. They persistently lied about business opinion and they have been doing the same thing on the EU.

**Q1374 Helen Goodman:** You are telling us that the CBI is lying about the views of their members when they are presenting the benefits of EU membership, which are felt by many large organisations.

**Dominic Cummings:** The CBI is so dishonest it will not even tell you how many members it has. That is the scale of its dishonesty. If you bring the CBI in here and say, “How many members do you have?” they will not tell you. They hide all of these numbers precisely in order that they can cheat their surveys.

**Q1375 Helen Goodman:** Mr Cummings, we will not get through my questions if you give such long, extended descriptions of your view of the world. I do not quite see how you square that with the fact that over a third of FTSE companies have written a public letter saying that they support EU membership. Lots of those companies will be in the CBI, so the CBI would not seem to be misrepresenting the views of their members if, quite separately, we see that a third of the FTSE 100 companies are saying that it is in their interests to be in the EU.

**Dominic Cummings:** Remember, the CBI also laughably claims to be the voice of British business, not just the voice of the 100 biggest companies in the country, so it ought to be representing the views of non-FTSE companies as well. Of course, in fact, they are lying about that and they do not do that, but it does not tally with what you are saying.

**Q1376 Helen Goodman:** Do you have the support of any FTSE 100 companies, Mr Cummings?

**Dominic Cummings:** Simon Wolfson recently came out and said that he thinks that the EU is a bad idea.

**Q1377 Helen Goodman:** As an individual, but do you have any companies saying that they think it is a good idea to leave the EU?

**Dominic Cummings:** Generally speaking, the people who are on our side tend to operate on a personal basis, for exactly the same reasons as I was just talking about regarding Goldman Sachs.

**Q1378 Helen Goodman:** You do not have any FTSE 100 companies where the boards have agreed that they wish to make a public commitment to leaving Europe

**Dominic Cummings:** No, the boards stay out of it, the same way as they did on the euro campaign. What happened after we won on the euro? Suddenly, all these companies say, “Yes, we agree. The euro is a rubbish idea.”

**Q1379 Helen Goodman:** You think this is just a piece of game-playing.

**Dominic Cummings:** I know it is, because I meet these people all the time.

**Q1380 Helen Goodman:** You do not have a monopoly on meetings with people from industry. How many jobs do you think in this country depend on exports to the EU at the moment?

**Dominic Cummings:** There is no good number for that, because words like “depend” are meaningless.

**Q1381 Helen Goodman:** You think it is meaningless to say that a percentage of a company’s turnover that comes from exports to Europe means that a proportion of the jobs depend on exports to the EU. Is that what you are saying?

**Dominic Cummings:** I did not quite follow what you said, but I will say what I think. I was on the euro campaign 15 years ago—

**Q1382 Helen Goodman:** I am not interested in the euro campaign 15 years ago. I am asking you whether you know how many jobs depend on exporting to the EU in the British economy. It is a very simple question.

**Dominic Cummings:** I am saying to you that the word “depend” renders the sentence meaningless. This argument has been going since March 1999, when the big study was published about the so-called 3 million jobs depending on the EU.

**Q1383 Helen Goodman:** Ah, so you do know the number. You do know that 3 million jobs in this country depend on exporting to the EU.



**Dominic Cummings:** I spoke to the guy who did that report the day it was published in 1999 and do you know what he said? He said that the use of this report by Britain in Europe was “worse than Goebbels”. That is what he said that morning.

**Q1384 Helen Goodman:** You are saying that the suggestion in the document published by the Government, which was written by Treasury officials estimating that the number of jobs relating to exports to the EU, which they put at 3 million, is worse than Goebbels. Is that what you are telling the Committee?

**Dominic Cummings:** I am saying that the people who wrote the original research have described its use by the likes of Nick Clegg and the pro EU campaigners as “worse than Goebbels”, correct. Those are not my words; those are the words of the people who wrote the report. It conflates the weasel word “depend” with, “They will be lost if we vote to leave”, which is a non sequitur.

**Q1385 Helen Goodman:** Mr Cummings, I have not asked you about how many jobs would be lost were we to leave the EU. That was not my question. I was asking you about how many depend. I agree with you there is a distinction to be made about the current state of the British economy and what would happen were we to leave. I am asking you to concentrate now for a minute, not on what happened 15 years ago, but on the number of jobs in this country that depend on exporting to the EU. The figure, based on the ONS—and you say that you always use the official statistics as well—is 3 million. Do you know what proportion of that are manufacturing jobs?

**Dominic Cummings:** I think you are misunderstanding these numbers. The Government’s own figures show that only 5% of British businesses export to the EU; 95% do not.

**Q1386 Helen Goodman:** That is because we have a spread of sizes of company and therefore you have, I agree with you, 5% of companies, but they are very large companies that employ a lot of people and so you have a lot of jobs that depend on exporting to the EU market. Therefore, to say that only 5% of companies export to the EU and to say that 3 million jobs are dependent on the EU is completely compatible. Do you understand that, Mr Cummings?

**Dominic Cummings:** I do not really understand what you are saying, no, I am afraid.

**Q1387 Helen Goodman:** Mr Cummings, do you understand that not every company in this country is the same size?

**Dominic Cummings:** I do understand that, yes.

**Q1388 Helen Goodman:** Good. You think that, at the moment, only 5% of companies export to the EU.

**Dominic Cummings:** That is not what I think; that is what the Government’s figures are.

**Q1389 Helen Goodman:** Okay. Do you accept that, of those companies, a significant proportion are very large?

**Dominic Cummings:** Probably, yes.

**Q1390 Helen Goodman:** Good, fine. Now, of the 3 million jobs that are dependent on EU exports—

**Dominic Cummings:** How do you define “dependent”?

**Q1391 Helen Goodman:** I define “dependent” as working out the proportion of turnover, but if I might say so, Mr Cummings—

**Dominic Cummings:** I am sorry. I do not understand what that means. What do you mean “proportion of turnover”?

**Q1392 Helen Goodman:** Mr Cummings, in a Select Committee the convention is that the Members ask the questions and the witness provides the answers. You seem to have some difficulty with that, if I might say so, and yet you have told us that the key plank of the Leave campaign is to restore the sovereignty of Parliament. I would have thought that if you were really interested in promoting the sovereignty of Parliament and, as you put it, “being committed to campaigning in a way that will create a legacy for the country’s democratic processes and traditions”, you might pay slightly more attention to answering the questions you are asked rather than punting off on the latest thing that happens to have popped into your head.

Mr Cummings, you said a minute ago that you thought that the Clinical Trials Directive that came out of Europe was not very useful.

**Dominic Cummings:** That is not a question. Do you want me to answer?

**Q1393 Helen Goodman:** Am I understanding correctly? What was it you were saying about the drugs trials?

**Dominic Cummings:** I am not a specialist. With lots of these things, the point is not what I personally think. I am saying what other people think. The point about the Clinical Trials Directive is that Nobel scientists stood up and said, “This is madness. This thing is slowing down the trials of cancer drugs. It is making them more expensive. It is literally killing people and there is nothing we can do about it.” It is not what my opinion is; I am just quoting what they said.

**Q1394 Helen Goodman:** Okay. Are you aware that Andrew Witty, who is the Chief Executive of GlaxoSmithKline, a large drugs company located with several factories in this country, has said, “Europe has gone from 27 fragmented,

independent, not talking to each other regulatory authorities in the healthcare space to one. That is a big deal.” Have you heard that he said that?

**Dominic Cummings:** I have not.

**Q1395 Helen Goodman:** What do you think the implication of that statement from the head of GlaxoSmithKline is?

**Dominic Cummings:** What is the impact of it?

**Helen Goodman:** The implication.

**Dominic Cummings:** As I said before, a lot of big multinational companies like the Brussels system. Since Adam Smith wrote, it has been an obvious agreed idea that big businesses use regulation to crush entrepreneurs and competition and small businesses. A lot of big businesses love the EU system precisely because it allows them to lobby and crush their competition. I will take the opinion of Nobel Prize-winning biologists over the opinion of the CEO of a big pharmaceutical companies on the wisdom or otherwise of the Clinical Trials Directive.

**Q1396 Helen Goodman:** Mr Cummings, do you think it is realistic to suggest that you can have small companies entering the pharmaceuticals industry? Is it not inherent in pharmaceuticals, given the need to have experiments and safe drugs, that these are companies that must operate at scale?

**Dominic Cummings:** Totally wrong. I think you do not understand what is going on in those industries. If you look at what is happening now in pharmaceuticals, for example, there is a whole revolution in computational biology and in synthetic biology, which is integrating pharmaceutical companies with Silicon Valley and the revolution in computer science, so the premise of your question is completely false.

**Q1397 Helen Goodman:** Mr Cummings, do you not understand that the reason that Glaxo think it is a good idea to have one regulatory standard across the EU is that it means that they can, at an economic price, produce drugs for the whole EU, whereas if and when there were 27 different sets of standards it was uneconomic to produce the drugs to the quality that people need for the benefit of their healthcare?

**Dominic Cummings:** I think that is complete rubbish, I am afraid. I do not think the argument holds water. What I think is true is that there are various ways in which very big multinational institutions have an interest in trying to preserve the power of the European Union. In various ways, they think it makes some aspects of their business convenient. The decision in this referendum is not about propping up the interests of established multinational corporations. We should be thinking much wider than that. We should be thinking about the entire ecosystem of businesses and research and development.

**Q1398 Helen Goodman:** You are not interested in the views of any large companies in this country.

**Dominic Cummings:** Of course one is interested in the views, but you have to understand how these companies operate. If you are British Airways—

**Helen Goodman:** Okay, let me give you another example.

**Dominic Cummings:** Do you want me to answer the question or not?

**Q1399 Helen Goodman:** I think you are about to punt off again and I need to ask you another question. Hitachi, which is a large multinational company, has said that it has invested in the UK in order to access the whole of the EU market and “unimpeded access to the EU market is fundamental for our position in the UK”. Do you not see that leaving Europe puts at risk inward investment from companies like Hitachi?

**Dominic Cummings:** I heard all the same stuff on the euro; I do not buy it.

**Q1400 Helen Goodman:** Mr Cummings, do you not understand that the issues at stake with belonging to the EU are quite different from those at stake for whether or not join the euro? The euro issue was confined solely to the question of what the exchange rate mechanisms would be. Belonging to the EU is, as Mr Philp set out very well in his questioning to you earlier, about the benefits to the British economy of joining the single market. Do you understand the distinction, therefore, between belonging to the EU and belonging to the euro?

**Dominic Cummings:** I do understand that. I am not sure if you understand the distinction about—

**Helen Goodman:** As I have explained to you, the questions are asked by the parliamentarians and the witness—

**Dominic Cummings:** What is your question then?

**Helen Goodman:** My question was whether you understood the difference between the EU and the euro.

**Dominic Cummings:** I do understand that distinction, yes.

**Q1401 Helen Goodman:** Good. I want to go on to ask you how the Leave campaign is being financed. Who are the big financiers of the Leave campaign?

**Dominic Cummings:** We will publish that in accordance with the rules in two weeks’ time or something.

**Q1402 Helen Goodman:** That, if I might say so, was a rather evasive answer. Do you not know now?

**Dominic Cummings:** How is that evasive?

**Q1403 Helen Goodman:** Do you not know who your funders are?

**Dominic Cummings:** There are rules about how we have to publish all of this information.

**Q1404 Helen Goodman:** There certainly are, but that does not mean that when you are in front of a Parliamentary Committee you do not need to answer the questions. I am asking you: can you tell us who is funding the Leave campaign?

**Dominic Cummings:** Are you telling me that I am under a legal obligation to tell you who I am financed by?

**Helen Goodman:** The convention is, as you know—and you are the person who said that parliamentary sovereignty is your main priority—that you answer the questions we ask.

**Dominic Cummings:** There are quite a few modifications in my personal model for the future.

**Q1405 Helen Goodman:** I certainly do not know what that means. I am going to ask you about a report in the *Daily Telegraph* about the funding of the Leave campaign. Are you expecting to receive money from Peter Cruddas, a City financier?

**Dominic Cummings:** We will publish all this data in 10 days or so, in a completely legal way. The Electoral Commission has sent us stuff today about how we have to publish this. I have not read all the details of it. I do not want to accidentally say something contrary to what I have been told by the Electoral Commission.

**Q1406 Helen Goodman:** There is no possibility of your cutting across the Electoral Commission by answering my questions. I am asking you whether you are being financed by Peter Cruddas, a City financier, by Stuart Wheeler, a spread-betting pioneer and former UKIP treasurer, by Crispin Odey, a hedge fund operator, and by John Caudwell, an entrepreneur and philanthropist.

**Dominic Cummings:** Peter Cruddas has already said in the public domain his answer to that question. All funding information will be put into the public domain in a proper legal way, as we are obliged to do. I am not sure what more I say than that. We are not hiding anything. It is all going to be public very shortly.

**Q1407 Helen Goodman:** You are hiding it, because you are not answering the question. Mr Cummings, the reason I am asking you about the funding is not pure curiosity, but your answers to my questions about pharmaceuticals and manufacturing were, if I might say so, rather thin. I am concerned that the Vote Leave campaign seems to be dominated by a small number of people from the

financial sector who do not seem to know very much about the British economy and British manufacturing, on which millions of people in this country depend. Do you think that is a fair assessment?

**Dominic Cummings:** It is factually wrong on two levels. One is that the donors have no influence on what the policy is. That is not how the campaign works. It would be stupid for it to operate any other way. Secondly, the funding for the organisation comes through a huge number—I do not know how many thousands, but a few thousand—small and medium-sized business around the country that are in manufacturing. John Elliott in the northeast, for example, has a factory there employing a few hundred people. It is people like that who are the backbone of the economy, who are supporting our campaign and who are funding our campaign. All of these details will be put, as is proper, in the public domain in about 10 days' time.

**Chair:** You have made clear that you are going to publish this fully and in accordance with electoral law by the due date and that will be available for us to scrutinise. At that time, if we have further questions about the funding, we will want to see you again and we will see what that material is.

**Dominic Cummings:** Sure thing.

**Q1408 Mr Rees-Mogg:** Thank very much for coming in, Mr Cummings. I have personally made a modest donation to Vote Leave, though it will not, I am sorry to say, be declarable. I rather wish it were, because I hope all sorts of good people and anybody watching this will give you lots of money. I am also one of your hoplites, so very pleased to support Vote Leave as a great organisation doing patriotic work, as you have been doing nobly for the last hour and three-quarters. What I want to move on to is how we would get out if the happy news on 24 June is that the British people have voted to leave. Before you were running the campaign, you gave various thoughts as to how this might happen and the complexities. The Prime Minister is saying that he will exercise Article 50 on the Friday morning. Do you think that is realistic?

**Dominic Cummings:** The idea that the Prime Minister would go over to Brussels and start Article 50 on the Friday morning is literally a crazy idea. I do not think there is the faintest chance of that happening. I do not think there is the faintest chance, to be honest, of the Prime Minister even trying to do that. If he were to try to do that, he would be stopped by this House.

**Q1409 Mr Rees-Mogg:** Jon Cunliffe, formerly UKREP and not necessarily somebody who you and I would often agree with, in front of this Committee said that a wise Government would spend a little bit of time working out what it wanted, would have preliminary discussions with other member states and would then exercise Article 50 at that point. Broadly, do you agree with Sir Jon Cunliffe?

**Dominic Cummings:** I do, broadly. Almost inevitably, the overall phases will be: we win on the 23<sup>rd</sup>, people take a deep breath, you have to create a new Government team to go and do the negotiations. We could not send off the likes of Philip Hammond and whatnot, who have just failed so spectacularly again, so the Prime Minister will have to assemble a new team of people. There will then be informal negotiations at an inter-governmental level and with European Union institutions. Once you have the overall picture of what you want to do, you would then say, “Right, how do we solve the legalities?” and only after that do you then get in to, right, here is how we use Article 50, if we use Article 50 at all; here is what the timescale would be; here is the timescale for when we repeal the 1972 European Communities Act; probably incorporate all existing European Union law into domestic law and then begin the process of sorting it out. Roughly speaking, that kind of framework most people would agree is a sensible way forward.

**Q1410 Mr Rees-Mogg:** What sort of timeframe do you think that would happen in?

**Dominic Cummings:** I am not at all an expert on any of this sort of thing and am reluctant to give any guess. One important point is the way we think of this thing. It is often described in the media and in the campaign as if it is an event, but really it is a process. We are talking about a new relationship and there is not going to be a discrete interval in which, after we win, we say, “Here is 100% of everything solved, done,” and then we continue in some static way. It is going to be a gradual thing and I hope you would have a 90% solution to a lot of these things very quickly. Many of them have been solved already around the world in different trade agreements, for example, so you would probably try to break the back of the problem pretty quickly and then figure out how to sort out the tricky remaining things over time.

**Q1411 Mr Rees-Mogg:** At an earlier stage, you discussed the possibility of a second referendum on which the European Union has form: that people who do not vote the way the panjandrums like are ordered to vote again and to keep on voting until they do as they are told. Do you think there is a prospect that the EU may come back with the sort of deal that the Government ought to have aimed for in terms of its renegotiation and that that might lead to a second referendum before the Article 50 process has been completed?

**Dominic Cummings:** It is a very tricky question. I would stress a couple of things. One, when I wrote that thing about a second referendum it was before Vote Leave even existed, before the name existed or anything, so it is not, in any sense, official Vote Leave policy. We have all seen how the EU operates. Historically, they have not taken no for an answer and have always tried to go back and tell people they have to vote again until they come up with the right answer. There is no doubt in my mind that the Commission and elements of the Foreign Office will collude in trying to say, “How do we get out of this?” That will definitely happen.

Much of it will depend on the political realities: what happens to the Prime Minister and what happens inside the Conservative Party. My own personal bet would be that the EU will not come back with an offer along the lines of, “Please do not leave. We are going to change the whole system completely. You were right all along. Let us have different

kinds of membership. Stay and have this kind of membership instead. We will rewrite the whole thing.” Of course, it is theoretically a possibility that they might do that and, in lots of ways, it would have been ideal if that process had happened before and this whole system had changed without the need for this referendum happening in the way that it has and the timing it has. It would have been better to solve this problem in a different way, but I suspect now that they are so terrified of the euro project completely falling apart on them that they will calculate that it is better to have Britain out and do a deal with Britain as an external entity than them potentially start the dominoes toppling. As you know, the history of this project is that Monnet and Delors have stuck to a very strong principle that integration is one way only. We saw last year how strongly these guys think about it. Even with the nightmare of Greece falling apart, mass unemployment on a level we have not seen since Hitler in the 1930s, they still had that iron in their soul to say, “Keep the project going; no backing down.” I suspect that they will probably do the same thing again.

**Q1412 Mr Rees-Mogg:** There is one other possibility. As you will remember before the Scottish referendum the Government, in a great panic, offered devo max basically to provide almost everything that was being asked for by the SNP—Mr Kerevan may disagree—in a panic just before the vote. Do you think there is any chance of what one might call “euro min” being proposed very shortly before the vote to say, “We are panicking, we look as if we are going to lose and therefore the UK, to keep the project going, to keep them in, to win this vote, can basically have what it wants”?

**Dominic Cummings:** There is a pretty good chance of that. I have spoken to people in Government, in Whitehall and the Cabinet Office who have actively been thinking about some of these schemes. One of the most obvious schemes, if Cameron and Osborne are desperate, is for them to announce some kind of, “We will amend the 1972 European Communities Act to ensure that it will not do blah, blah, blah in the future”. They were thinking of some kind of scam like that in the hope that it would persuade Boris to support them. Of course that did not work, Boris stuck to his principles and supported Vote Leave, but they are clearly thinking about something like that, and it would not surprise me at all to see Cameron and Osborne on a stage offering something like that, possibly with representatives from the European Union saying, “Yes, we will do this new deal; do not worry.”

**Q1413 Mr Rees-Mogg:** One would want that pretty firmly nailed down before trusting them to deliver on it, because their record on delivering is not very good.

**Dominic Cummings:** My approach to it would be to say, “You guys are offering this great new deal, are you, very conveniently a couple of weeks before the referendum? We could vote yes and find out whether you are telling the truth, but then, if we get stiffed, we are up the creek without a paddle.” By far the safest thing, if they really are desperate and they are offering some new deal, vote no and we will find out next week if there really is a deal on the table. In all circumstances, the safest option is vote to leave.

**Mr Rees-Mogg:** Thank you very much for your evidence this afternoon.



**Dominic Cummings:** Thank you very much for inviting me.

**Q1414 Mark Garnier:** Good afternoon, Mr Cummings. On your website, Vote Leave says that after leaving the EU “we would spend our money on our priorities, we would take back control of our migration policy and we would end the supremacy of EU law”. Do you therefore envisage that, on leaving the EU, the UK will no longer sign up to free movement, that it will regain control over regulation in all areas that the EU presently exercises competence and that it will no longer pay into the EU budget in any way, shape or form?

**Dominic Cummings:** Free movement, regulation and EU budget were you three things; is that right?

**Mark Garnier:** Yes, exactly.

**Dominic Cummings:** Roughly speaking, yes, but with a couple of kinks. On the regulation, as we were discussing earlier, increasingly the regulation that comes from the EU is coming from global bodies. There are some things that we have currently implemented as EU rules that are things that are coming down from a global level, so even after we leave the EU we would not necessarily get rid of them. We would implement them differently, perhaps, but there definitely will not be a complete abolition of all of these things. Many of these things will stay in one form or another, obviously, and there will be various things set at a global level that we will keep, though not under the jurisdiction of the ECJ.

On the budget, my personal view is that there are many ways in which we should be deepening co-operation across Europe. My argument with the European Union is not that it is about international co-operation; it is that it is so rubbish at it and, in lots of ways, it is undermining international co-operation and friendly relations between countries and exacerbating political extremism, particularly in southern Europe. I would hope that after we vote Leave we will find new ways of co-operating in a deeper and closer way, but not under the jurisdiction of the ECJ. Many of those kinds of things will involve countries coming together to cough up their fair bit in the kitty for project X or project Y.

**Q1415 Mark Garnier:** Is this a sort of social support type of thing, a structure fund type of thing?

**Dominic Cummings:** My personal view is that that is not the sort of thing that is the best example.

**Q1416 Mark Garnier:** What would be a good example?

**Dominic Cummings:** Science collaborations are the most obvious example. It is an interesting example, the science one. The In campaign often acts as if we will be outside all of these things after we vote Leave, but the Horizon programme already has in countries like Israel, which are completely outside the European Union. After we vote Leave, one of my great hopes is that central to national strategy is making science and

research in fundamental science a much higher priority, fundamental physics and computer science in particular. I think we would co-operate much more on those sorts of things and therefore pay into a common kitty in lots of these different areas.

**Q1417 Mark Garnier:** What I am really looking at, though, is our ability to be able to trade with Europe. Of course, you would accept that if we are going to trade with Europe we have to meet all the rules regarding safety of cars, for example, or safety of food. We cannot possibly trade with them in any other way, so we would have to then obviously abide by those rules even though we had no part in doing it.

**Dominic Cummings:** Yes.

**Q1418 Mark Garnier:** You have already said you do not want to be part of a single market, so there would never be any question that we would have some sort of hybrid Norwegian model; is that what you are saying?

**Dominic Cummings:** I said that we are already not part of two fundamental aspects of the single market.

**Q1419 Mark Garnier:** I know, and I think we are dancing on the head of a pin with that particular point. To all intents and purposes, we trade as a member of the single market irrespective of whether we have in the past.

**Dominic Cummings:** Overall, the answer to your question is yes. In many ways, the single market is deeply damaging. We will be far better off if we set rules for ourselves outside the jurisdiction of the ECJ. That will mean that companies that want to export into the European Union will have to abide by those rules, the same way that companies in California have to. Our services sector, which is much bigger overall in our economy and most of which goes outside the European Union, all of that will be free of single market regulation. In fact, it makes no sense whatsoever to impose the nightmare Brussels system on all sorts of service businesses where most of our business is either domestic or outside the EU and only a small fraction of it goes to the EU.

**Q1420 Mark Garnier:** There is one important point when it comes to services. We talk a great deal about the relative trade balances that we have with Europe and we are currently running, in 2014, a £78.9 billion trade deficit with Europe. If you were to take out services, that trade deficit would be even greater and this is the point. We are getting to the point where we agree we are not going to try to stay, in one form or another, within the single market, however you define it, so we are going to be looking for some sort of trade deal with Europe. If I put myself in the position of being the German, French or Italian trade Minister, then it would be in my interest, as a European, that we would have a trade deal on goods but not on services, because clearly we would be selling more goods. We would be steering the numbers in our favour. What is to stop that happening? You have

also said you are not that keen on the services side, so our economic position would be worse off in Europe by what you have discussed earlier.

**Dominic Cummings:** The overall situation would be a great gain, though. We are agreeing that we would have a free trade deal on goods, done.

**Mark Garnier:** With no tariff.

**Dominic Cummings:** Exactly. In terms of services, most of the service business is domestic, so we would then be freeing all of that business from the single market regulatory system. The service business that is not domestic is over 60% outside the European Union.

**Q1421 Mark Garnier:** How are you proposing to sell services into Europe?

**Dominic Cummings:** These things are all a balance, are they not, so you have to look at what the relative advantages are. Given that the overwhelming majority of our service business is either domestic or outside the European Union, what is the advantage for us in having all of that business regulated by Brussels and the ECJ? It is a huge net loss for us.

**Q1422 Mark Garnier:** Instead of having a £78.9 billion trade deficit, we would have a £105 billion trade deficit.

**Dominic Cummings:** But look at all of the gains we would make elsewhere in the world. Only 13% of the British economy is engaged in trade with the EU.

**Mark Garnier:** In services.

**Dominic Cummings:** 87% of it is not. If you look at services rather than goods, there is an even bigger balance, because so much of our business goes elsewhere and has done for 200 years.

**Q1423 Mark Garnier:** If you were to go to the Chinese Government and ask them why they have offshore renminbi trading based in London, they do not say they come here because London is a nice place with nice law and nice culture and we speak English. The reason they have offshore renminbi trading in London is because we provide the best access point to Europe in terms of accessing the single market, which is what they want to see. They want to have access to 550 million people trading the renminbi if they want to.

**Dominic Cummings:** With respect, I do not think that is correct. The big advantages that London has as a financial centre predate our membership of the European Union. They are based on a very complex network of skills, language, time zone, culture, and all of the other aspects of London that Frankfurt and other countries do not have. It is very striking that the second biggest financial centre in Europe is outside the European Union, in Switzerland. With respect, I think the reason why China, America and all this investment comes to London is very much based on the idea that, overall, London is the best place to

do business. A big part of that is the common law system and the courts system. They know that their contracts will be respected. That is why they want to trade here and that is why harmonising our rules with Greece would be a disaster for those kinds of services.

**Q1424 Mark Garnier:** Yes, but harmonising Greece's laws with us would be very successful for Greece. That would help stabilise their financial system. We take the lead on this and this is one area in Europe where we can demonstrate that we have brought about banking reform, financial services reform, and we are ahead of the curve on this. We have adopted our own policies when it comes to ring-fencing banks. The Banking Commission has studied all of this, as a result of which we came up with the Vickers proposal, and this seems to be taking the lead in where we are moving forward on this. We are seen by the world as one of the best, if not the best, country to have financial services regulation. Europe comes up with odd things, which are incredibly irritating and, no doubt about it, many of us here will get very frustrated about a potential financial transaction tax, bonus caps, and this kind of stuff, which are not right for one reason or another. Nonetheless the overall direction of travel is one of positive movement.

**I want to slightly** move on from this. We have accepted that you do not necessarily agree with wanting to continue to be part of the single market; we would have to organise a trading arrangement. In the *Guardian* this morning, as a result of Michael Gove's speech yesterday, you are reported as saying that you have spoken to umpteen ambassadors, inside and outside the eurozone, who said they would be willing to do a comprehensive trade deal with the UK. Would you like to share with us which ambassadors those were and, indeed, how many there were?

**Dominic Cummings:** No, I would not.

**Q1425 Mark Garnier:** Are there any?

**Dominic Cummings:** Umpteen.

**Q1426 Mark Garnier:** Somewhere between 13 and 19.

**Dominic Cummings:** That is a reasonable definition of "umpteen".

**Q1427 Mark Garnier:** You are not going to share with us who they are.

**Dominic Cummings:** No.

**Q1428 Mark Garnier:** Why not? Surely this is a fantastic piece of news. If you are able to come with Vote Leave and be able to say that there are ambassadors of countries that we want to do business with, why would you not want to share that?

**Dominic Cummings:** What do you think would happen if I said, “Oh yes, I had lunch with the ambassador to X yesterday and he said blah about this?” Do you think everyone would go, “Oh God, Cummings is right after all. That argument has collapsed”? No. The ambassador would say, “He has completely invented it. I never said any such thing. What is this crazy person saying?”

**Rachel Reeves:** Yes, probably.

**Q1429 Mark Garnier:** I disagree with you very strongly. I have lunch with ambassadors from time to time and none of the conversations we have are absolutely completely private. You could at least tell us which ambassadors you have had lunch, even if you cannot tell us what the conversations were. At least it gives us a bit of a clue. Are you talking to Malta or are you talking to Germany? It is important that we know which ones they are.

**Dominic Cummings:** Everyone is free to go and talk to all of these people, but, with respect, I will keep private conversations private.

**Q1430 Mark Garnier:** The thing is we do talk to many of these people and they do not say what you do, including, I might add, some of these are international investment banks. I have spent a great deal of time having public and private conversations with these investment banks and what you have said goes completely against what they are saying to me in private. This is over the period of the last two or three years, when I have been speaking to them as a member of the Fresh Start Project, the substantive part of which has now merged with the Vote Leave campaign, leaving one or two of us behind as—

**Mr Baker:** An isolated minority.

**Mark Garnier:** As an isolated minority of about 500 Members of Parliament and on it goes. Anyway, we are getting slightly distracted. The point is it is important that by not answering some of these questions—and I do not mean to be rude—it comes over as you looking slightly shifty, not having the answers. We are giving you an opportunity to come up with very strong arguments as to where it should go.

Maybe I can move on to something else. Michael Gove raised the European free trade zone yesterday. This is not something I have heard of and I am not sure many of my colleagues on this Committee have ever heard of it before. On your website, you talk about how there is a European free trade zone from Iceland to the Russian border and we will be part of it. What is this European free trade zone?

**Dominic Cummings:** From Iceland to the Russian border there is a network of different relationships in which all European countries in or out of the EU and in or out of the euro enjoy free trading in goods. Many of the arrangements are slightly different, obviously, but, generally speaking, there is free trade in goods over that entire area. The big exception is Belarus, and the idea that Britain and Belarus are going to be the only two countries without free trade in goods in western Eurasia is not a sensible prediction.

**Q1431 Mark Garnier:** No, sure. We have talked about services and Switzerland, as the second biggest financial services centre in the world, as you have talked about, does not have an agreement covering financial services. Ukraine has just negotiated a free trade agreement that retains tariffs in certain sectors; it does not cover cross-border provision of most services, including financial services again. Turkey is part of the EU Customs Union and is therefore unable to pursue an independent trade policy. Is Turkey part of this free trade zone?

**Dominic Cummings:** No.

**Q1432 Mark Garnier:** Kosovo does not have a preferential agreement with the EU.

**Dominic Cummings:** I think Kosovo does have some sort of deal with the EU. I think you might be wrong about that.

**Mark Garnier:** We can check that.

**Dominic Cummings:** The overall point is that there is free trade in goods from Iceland to Russia. Belarus is the only counter example and we are not going to be with Belarus. There will be a deal, because it is in everyone's interest for there to be a deal.

**Q1433 Mark Garnier:** When you talk about this European free trade zone, as I say, this is a concept that made its debut yesterday in Michael Gove's speech, but what is it? Ultimately, what you are talking about is a number of countries have come up with their own individual arrangements. This is not a club that we can become a member of. It is we come up with our own arrangements and become another country within this notional group of countries bordering the edge of Europe, which has a notional trade arrangement surrounding goods. Is that right?

**Dominic Cummings:** Roughly. What is the overall architecture that we need? We need an overall architecture in which all countries in Europe, in or out of the EU or in or out of the euro, can trade freely and co-operate in a friendly way in all sorts of ways deeper than we do now. That is the system that Europe needs to create. The current system is manifestly broken. Over the next 20 or 30 years, a new system is going to come into place, one way or the other. We can do it the hard way or the easy way. Our argument is that after we vote Leave it will force this discussion onto the agenda for Europe. They will not be able to treat us like Ireland or some other little country that they can just say, "Get lost and do not do it again". It will force the creation of a much friendlier and happier European system. We will end the Delors, Monnet picture in which there is only one way forward and that is the European Commission and the European Court of Justice get more and more power and money every year. That will end and that will be a good thing, not just for Britain but for all of our European friends.

**Q1434 Mark Garnier:** Do you envisage a non-EU but European continent free trade zone?

**Dominic Cummings:** Certainly. I think it will be a great thing.

**Q1435 Mark Garnier:** You see this as a club developing that is outside the EU; is that right?

**Dominic Cummings:** The failure of the euro project means that the institutional architecture for Europe is going to have to change. It is already changing. Brussels has its agenda for how it should change, which is the Five Presidents' Report, which is doubling down on the same failed Monnet method where the answer to everything is more and more power for Brussels and the ECJ. That is one answer to the problem, but it is not sustainable in the long run either economically or democratically. People are not going to go with it over the next 20 years, so, by hook or by crook, we are going to need a system in which the non-euro countries of Europe can trade and co-operate in a friendly way and say, "You guys have your project, carry on. You want to hand more power to Brussels and that is fine. We are going to go on a different path, but all stay friends".

**Q1436 Mark Garnier:** I am still struggling with what a trade deal looks like between the UK and the EU. At the end of the day, what we have to do in this country is strike a deal that satisfies every member country and possibly even a number of parliaments within the EU. I do not see how that will be done quickly or easily. We can hypothesise as much as we like about whether they are going to be friendly or unfriendly to us, but that is just guesswork. We can come up with any number of different arguments about that. You have already discussed, in very firm terms, what you think of the ability of the British Civil Service to be able to negotiate these deals. This is a very big deal we are talking about; 48% of our global trade is with the EU. Here is an interesting point: you want these notionally incompetent civil servants to try to negotiate a trade deal that ends up with zero tariffs. The reason these zero tariffs are quite important is because if you go for, say, a 2.4% tariff on, roughly, £250 billion worth of trade, you can work it out very quickly that the tariff on our trade is going to be slightly more than the net cost of our membership of the EU, so you have to do something pretty clever to make it better.

**Dominic Cummings:** If you look at the WTO figures on that, the opposite is the case according to them. The figure on tariffs is less than the amount we would save in terms of budget contributions. I can send you the figures on all that, if you would like.

**Q1437 Mark Garnier:** It depends if you take the net or the gross. It does not matter whether the money comes and goes in or out of the country. The bottom line is, of the £19 billion, we get back £6 billion at some point, even if it does not leave the country. We are talking about a £14 billion net contribution and then we get back structure funds, subsidies to farmers, contributions to universities and businesses. I cannot remember; it is about £4 billion or £5 billion, £7 billion.

**Dominic Cummings:** From memory, the WTO calculations, roughly speaking, are that the tariffs are £7 billion. Say you want to take the net figure of £10 billion to £11 billion, depending on exactly whose net figure you use. I think the numbers are the other way around from the way you suggest, but I do not have them in front of me. I can send them to you.

**Q1438 Mark Garnier:** We have not included farming subsidies in that.

**Dominic Cummings:** That is the net figure.

**Mark Garnier:** That is included, okay, but it is very marginal, and bear in mind we are trying to increase our case.

**Q1439 Chair:** I should have explained at the start that neither Matthew Elliott nor Aaron Banks are able to attend today for personal reasons and we intend to provide another opportunity for them to give evidence as soon as possible.

I would just like to clarify one point that comes out of the evidence you have just been giving. Am I to conclude from what you have said, when you talk about “by hook or by crook the system has to change”, that, were Britain to leave and were that to lead to the disintegration of the EU in its current form, that would provide opportunities for the better for the continent and for Britain? In other words, although your primary objective is Brexit, it is also, as a consequence of Brexit, a fundamental reconfiguring of the way the EU operates.

**Dominic Cummings:** I would not use the word “disintegration” myself; it is a frightening word.

**Chair:** Do use the word that you prefer.

**Dominic Cummings:** It is certainly the case that on 23 June the vote is about what we do, but it will have a very big effect on the whole system and, in our view, it will be a very good one because it will force the European Union itself to change. Instead of having this single model, invented very cleverly by Monnet after the war, and pursuing it, we will have a more pluralist European system, and pluralism is a good thing.

**Q1440 Chair:** I have understood that point. Perhaps I should clarify. What I am trying to obtain is your view on whether you think that process, which you say “by hook or by crook” is going to happen anyway, will be advanced by Britain’s departure.

**Dominic Cummings:** Definitely, I do.

**Q1441 Chair:** If so, whether, as a consequence, for a period, which might last several years, there may be considerable disruption. You did not like the word



“disintegrate”; that is why I am offering you the opportunity to choose whichever word you want.

**Dominic Cummings:** Few things are more in need of disruption.

**Chair:** I would be grateful if you would let me finish what I am saying. That might be a disruption, or whatever word you want to choose, worth paying, because we will arrive at a better place in the longer term. Is that your view?

**Dominic Cummings:** Yes. The Brussels system is proving disastrous economically and democratically. After we vote Leave, it will not just be good for us; it will lead to a significant disruption in the Commission and ECJ institutional architecture and that will be very good for the people of Europe, particularly those in southern European, who are currently being destroyed by the euro system.

**Q1442 Chair:** You think it might lead to the collapse of the eurozone, for example, and that might be to the good.

**Dominic Cummings:** I would not necessarily want to say that, but I think they will not be able to persevere with the overall institutional structure, with relentless centralisation, Five Presidents’ Report, et cetera.

**Q1443 Chair:** I have understood that. I have just been pressing all the time to try to understand what we might move towards. Is it a world in which we no longer have the eurozone, and would that be to the good?

**Dominic Cummings:** As you know, I think it was a profound error to have created it. It now exists. Some people on our side think that we should try to continue to exercise vetoes over how the euro works.

**Q1444 Chair:** I am not asking all that set of questions about the management of the eurozone from where we are now. I am asking a very different question. I am asking about whether it would be in the UK’s interest for the eurozone to disintegrate or to separate out back into constituent currencies. If so, do you think that process might be advanced by Brexit.

**Dominic Cummings:** My feeling is that it would not. I would put it a slightly different way. The eurozone could end in at least two different ways, broadly speaking. It could end in a spectacular catastrophic blow up, causing huge disruption, panic and contagion throughout the system. That would obviously be a disaster not just for them but for everybody in the world. Alternatively, it could end in a slightly different way, as other currencies have done in the past, where the members get together and say, “Listen, we have screwed this up; we should not have done it. Let us try to disentangle ourselves from that.” It is conceivable that you could do the second thing in a way that would be to everyone’s advantage. I do not know much about this, but my guess is that trying to do the second thing would be extremely difficult. It is one of the tragedies of modern Europe that they created the euro, because they are now between a rock and a hard place in terms of what they do. Of course, that is precisely Delors’ point.

**Q1445 Chair:** This is one of the reasons that the hearing is taking so long. I just asked two relatively straightforward questions. The first one is: would that acceleration of this reorganisation be likely to lead to the breakup of the eurozone and would we want that? Would that be in Britain's interest? Was that a "yes" or a "no" to that one?

**Dominic Cummings:** Your first question was about the EU and I said that I thought it would force institutional change in the EU and that would be for the good. Your second question was about the euro. That is a more complicated question. My feeling is that us voting to leave would not lead to some immediate disaster with the eurozone, but it will, in a useful way, clarify thinking about how on earth they reconcile the economic needs of economic and monetary union with the political problem that they also clearly have.

**Q1446 Chair:** So it would not be in our interest for the eurozone to collapse.

**Dominic Cummings:** Correct, at least not unless it was done in a slow, gradual, by-agreement way.

**Q1447 Chair:** Just to be clear, it is not in our interest for it to collapse, but it would be in our interest that it serves as a wakeup call for some reform of the eurozone were we to leave.

**Dominic Cummings:** Correct.

**Chair:** Okay. Now I have understood what you were saying.

**Q1448 Mr Baker:** Dominic, good afternoon and thank you for coming. For the record, I should say that I am closely associated with Vote Leave. Back in 2007, a British Member of Parliament went to the Czech Republic to make a speech on the EU and he said this: "It is the last gasp of an outdated ideology, a philosophy that has no place in our new world of freedom, a world which demands that we fight this bureaucratic overreach and lead Europe into the hope and potential of a new, post-bureaucratic age". Do you agree with what the Prime Minister said back in 2007?

**Dominic Cummings:** Roughly speaking.

**Q1449 Mr Baker:** From your unique perspective, could you possibly give any insight into why he might have changed his mind?

**Dominic Cummings:** I think that David Cameron has never wanted to leave. Overall, David Cameron's view about the European subject is that the less it is mentioned the better. He agreed with William Hague, who said, "It is a bomb and let us try to stop the bomb going off". Therefore, for many years, his main goal was simply not to talk about it. Before the 2010 election, I remember the unit that he created to think about Government

was explicitly stopped from thinking about EU affairs, which hampered a lot of preparations for Government, because he simply did not want people thinking about it; it would only lead to trouble. Overall, that has been David Cameron's attitude. Also, David Cameron is, psychologically, someone who goes along with the conventional wisdom of the establishment, so I am not at all surprised that he is on the other side of this debate.

**Q1450 Mr Baker:** Another kind of bureaucracy is, of course, the large multinational corporation and you were not able to complete what I thought was a very interesting answer earlier to Helen Goodman. Would you like to finish your answer on how these large multinational companies operate, please?

**Dominic Cummings:** There is a basic problem of power in how the European Union works and its regulatory system, and there is huge scope for corruption. This is not particularly a point just about the European Union; it is a general point about how the world works. If you centralise a huge amount of power in a place like Brussels, where you do not have Britain's tradition of a free press, you do not have an awful lot of scrutiny, you do not have any kind of democratic control, you do not have pluralist institutions and you have very centralised institutions, you inevitably get a lot of nepotism between big business and politicians.

That is one of the most unfortunate and disagreeable aspects of the European Union, but it also puts a lot of these companies in a bind and I experienced this on the euro campaign. A lot of them say to you privately, "Of course the euro is a bloody stupid idea. Of course we should not be in it, but if I come out and say that, I have had a phone call from Tony Blair in Downing Street that says my business in north Africa is up the spout, so very sorry, I cannot do anything about it." That happened repeatedly on the euro campaign. It has happened repeatedly throughout this campaign as well. Calls go out from Jeremy Heywood's office in the Cabinet Office to people, saying, "You do not want to be on that side or bad things might happen to you." Think of how much worse that is in Brussels. If you are an airline, like British Airways or whoever, and you have to negotiate your landing slots with the European Commission, what do you think the odds are that the board of a company in that situation is going to say, "Oh yes, do not worry, Charlie, go out on TV and tell everyone how rubbish the EU is"? It does not happen.

**Q1451 Chair:** I am sorry to interrupt again. I just want clarification. When you talked about Jeremy Heywood there, you were suggesting Jeremy Heywood is ringing people up and threatening them, saying, "You do not want to be on that side lest bad things happen to you."

**Dominic Cummings:** All sorts of people in the Cabinet Office call people all the time and make threats, some more overt and some more covert. I do not want to say that Jeremy Heywood himself has particularly and specifically done anything, but everyone close to how Government operates knows the power of the Cabinet Office and the power of the Cabinet Secretary and the power of subtly worded, in a very English way, threats.

**Q1452 Chair:** The Cabinet Office—we are not naming any particular individuals, but you are talking about senior officials—are making threats all the time with respect to this referendum.

**Dominic Cummings:** Certainly, and people in Number 10.

**Q1453 Chair:** By which you mean who, or at least which category of person, if you do not want to say?

**Dominic Cummings:** I mean both officials and special advisers. It is part of what their job description is.

**Q1454 Chair:** To make threats.

**Dominic Cummings:** Correct.

**Chair:** Okay. I think we have had very clear answers on that point.

**Q1455 Mr Baker:** Let us turn to these Government documents. They have produced five documents: “The best of both worlds”, “Alternatives to membership”, “The process for withdrawing from the European Union”, “Rights and obligations of European Union membership”, and the Treasury economic analysis, which we will talk about most. Before we get started, could you contrast the resources available to the Vote Leave campaign with the resources available to Government in the production of all these documents?

**Dominic Cummings:** Blimey. I could not do that very accurately, but we have, roughly, a staff of 70. They have to do all sorts of different things, from campaign events to you name it.

**Q1456 Mr Baker:** There is a massive asymmetry.

**Dominic Cummings:** There is a massive asymmetry.

**Q1457 Mr Baker:** Do you think it was material to the campaign that the Government has waded in with this additional leaflet and website before the formal purdah period?

**Dominic Cummings:** It would have been better if taxpayers’ money had not been spent on what is essentially propaganda. On the other hand, I do think it is reasonable for the Treasury to do various kinds of analyses on these. I also would not mind the Treasury publishing documents that said, “We have looked at all of this in the round, we have taken a proper look at it, we have invited in different and serious people to look at it and here are our conclusions.” That would be reasonable too. The report on Monday, though, is obviously not that kind of report. It is something else.

**Q1458 Mr Baker:** Just to run through each of these very briefly, the first one is “The best of both worlds”, which claims we have a special status in a reformed European Union. Obviously, I have read the Vote Leave research on it. Can you characterise Vote Leave’s position on this claim that we have had a reformed European Union with a special status for the UK?

**Dominic Cummings:** If you look at what the Government’s deal is, it is very clear that it changes approximately nothing of any seriousness in terms of our relationship with the European Union. If you go back and compare all the things the Prime Minister promised he would do over the years, all the things he said he would change, almost none of them have been changed. The most obvious example, probably, is the Charter of Fundamental Rights. In 2009, he guaranteed that we would have “a total opt out” and he did not even ask for anything to change, never mind did he get any change. That gives the ECJ power to interfere in practically anything that they want to from now on. The idea that he has changed the European Union system is laughable. There is also a more fundamental legal point about his deal. His deal is completely subject to what the European Court of Justice decides to do and we have had a perfect example of this before. The Danes thought that they had negotiated a new deal in 1992, all signed in exactly the same way that David Cameron’s deal has been signed. The Danes went home and thought they had a few things back, great. The ECJ looked at it and said, “No, we do not like that; we are tearing it up”. The ECJ will decide how much of David Cameron’s already pathetic deal survives the mincer and the history is that the ECJ interprets all of these things in a way that enhances the power of the ECJ.

**Q1459 Mr Baker:** On the “Alternatives to membership: possible models for the UK outside”, do you think it rises to the challenge of the UK’s relationship to Europe? You have talked about quite a significant reordering of the European system of nation states. Do you think the “Alternatives to membership” paper even comes close to meeting the challenge of the days we face?

**Dominic Cummings:** No, I do not. They could have looked at all sorts of other things, but that presupposes that they are looking at a balanced analysis rather than just producing propaganda and it is obvious they are just producing propaganda.

**Q1460 Mr Baker:** In earlier evidence, you touched on “The process for withdrawing”, so I will not ask you about that unless you want to make any particular observations that you have not covered already. “Rights and obligations” more or less states the current situation. If we turn to this HM Treasury analysis, it claims that, in 2015 terms, leaving the EU for a negotiated bilateral agreement would imply long-term loss of GDP of £4,300 per year for each household in the UK. Great fanfare was made of that claim. From your perspective, does this conclusion and, indeed, the other similar conclusions of the document follow from the argument that has been set out?

**Dominic Cummings:** I do not think they do, but then I think that the whole methodology involved with these documents is intellectually spurious. These modelling processes are based on ideas of what is known as “general equilibrium”, which has been an idea in economics going back decades. These are all the same models that constantly fail to

predict the world. This is not the forum to go into it, but anyone inclined to take seriously this kind of modelling should go and read what Nobel Prize-winning physicists say about them. They are garbage. These general equilibrium models are not constructed in a way that make accurate forecasts about anything and therefore I would not take them seriously. Overall, there is a general point about them, which is they are saying, “We think that freer trade and more investment flows are a good thing.” I agree with the Treasury about that. That is an uncontroversial view. They are assuming that over the next 15 years Britain’s trading and investment relationships with the EU will be less free and less liberal than they are now. In my opinion, that is at least an arguable assumption. I think it is a wrong assumption. Therefore, the modelling does not follow, even if you agree with their modelling methodology, which I think is not intellectually serious.

**Q1461 Mr Baker:** After we have won, I look forward to discussing the flaws in these models with you. To conclude, are there any particular assumptions lying behind this document that you would specifically want to challenge, bearing in mind we have the Chancellor coming in to discuss it shortly?

**Dominic Cummings:** No. I have a personal dislike for studies that produce numbers like £4,318. It implies spurious precision to predictions where it does not exist and the predictions are bogus.

**Q1462 Mr Baker:** Various in the press I have seen suggestions that this report has been constructed to meet the Chancellor’s requirements and his expectations for what it should say. Do you think there is any justification in that claim?

**Dominic Cummings:** They are obviously constructed in a political way. The Chancellor’s future is at stake. He has the resources of the Treasury. He has done what lots of people do in his position, which is use those resources for his own political ends.

**Q1463 Stephen Hammond:** Good afternoon, Mr Cummings, and thank you for giving your evidence this afternoon. I am going to try to play the Committee’s sweeper, if you like. There are a few areas where we opened up questions and perhaps did not finish. Can we start with your thoughts on free trade agreements and go back to that? Can we be clear that, if we were to leave on 23 June, at some stage we would have to renegotiate our trade agreements that are currently negotiated by the EU? Is that correct?

**Dominic Cummings:** Sorry, say that again.

**Stephen Hammond:** At some period after we had left and whatever that process is, we would have to put in place a system of trade agreements with non-EU countries, because at the moment all of our non-EU trade agreements are effectively through the EU.

**Dominic Cummings:** Yes. At the moment, there is a set of negotiations that have been conducted by the EU on our behalf. After we leave, we will have to go through a process

of figuring out how best we organise our relations with the rest of the world, but there are lots of different ways in which we could try to do that.

**Q1464 Stephen Hammond:** Sure, absolutely. We are both agreeing on that point. For the record, could you say which country, in terms of the trade process, you would like us to emulate in what they have achieved? Also, what, if any, country has more trade arrangements with other countries outside its own trading area than the EU has currently?

**Dominic Cummings:** I do not think there is any particular country. Britain is in a unique position in the European Union in all sorts of ways: in terms of our legal system, our position in NATO, the UN Security Council, history, all sorts of things. There is no one country where we should say, “Let us cut and paste their agreement”.

**Q1465 Stephen Hammond:** Fine. That is quite helpful, because a lot of people are suggesting there are certain things we could cut and paste.

The EU has a number of trade agreements that they negotiate on our behalf. We have a number of preferential agreements with countries throughout the world as a result of being a member of the EU. Rightly, we have agreed that we would have to renegotiate those relationships ourselves. Is there any other country in the world that currently has a greater set of arrangements and trade agreements than the EU has in place at the moment?

**Dominic Cummings:** I do not know the answer to that question, I am afraid.

**Q1466 Stephen Hammond:** What if I were to tell you it was no? There is a tendency to argue that the process for renegotiating our trade agreements is going to be longer than the process that is currently in place and likely to be less beneficial than if we were to stay in the EU.

**Dominic Cummings:** That assumes you have to redo everything from the start and I do not think that is a reasonable assumption. These things already exist. Various countries, like Korea and what-not, have already said that if we do vote to leave they will keep going with the current arrangements. It is not necessarily the case that we would have to redo all the work that has already been done.

**Q1467 Stephen Hammond:** That is a perfectly fair summary, but it is also clear that a number of countries would want us to start entirely new bilateral arrangements.

**Dominic Cummings:** That may happen. We will have to see, will we not?

**Q1468 Stephen Hammond:** Let us turn it the other way around to the trade agreements with the EU. Although we have agreed that we do not want to emulate any particular country, say we were to take the Canada-style of trade agreement. How would the UK not have to emulate or follow the standards that

are already set inside the EU with one of those trade agreements? Either we have to say, “Trade with us and you have to accept our standards” or we have to say, “We will trade with you, but we will accept your standards”. That seems to me that we are not doing anything in terms of the regulatory burden, which is a key part of your argument.

**Dominic Cummings:** You are far too clever for me and I cannot follow your questions at all.

**Q1469 Stephen Hammond:** No, I am probably far too stupid, which is probably the problem. Let me try one more time. We have talked about trade agreements with non-EU countries. We have agreed already that we do not want to follow any particular country in terms of their style of trade agreement. I am saying that for a lot of trade agreements we will have to make a decision. We will trade with the EU; that is pretty clear. We do not need to worry about what Project Fear are saying about that. We will trade with the EU, but we will have to make a decision, will we not, saying, “These are our standards and we are going to export them into the EU” or we are going to say, “Here are the EU standards. We are going to change our model to adopt those EU standards”? One of your key arguments is that a good reason for leaving is we get the chance to set our own regulatory burden. All I am saying to you is, under that trade agreement, we do not seem to be changing the status quo to any benefit on the regulatory burden.

**Dominic Cummings:** There are a couple of points. As I said before, increasingly the rules are being set at a global level, so one of the great advantages of voting to leave is that we will reclaim our seat where we are currently represented by the European Union and make our case, at the global level, for where these regulations should be. We will be higher in the food chain, so to speak. If this is the global level and here is Britain and here is the European Union, instead of fighting and losing in a system here, at the European level, where we only have about 8% of the votes and the eurozone has a majority, we will regain our voice here and influence the things that are passed down. That will be one great advantage to the country after we vote to leave.

Also, overall, you will have a more flexible economy, because the relatively small section of the economy that sells things to Europe will obviously have to abide by the rules that the European Union wants to set, but all the other businesses will not be stuck with those rules. We will be able to dispense with a large proportion of the whole system, some it crazy, which regulates intra-EU trade. Yes, if you are exporting to Sicily, you are going to have to obey certain rules there, but if you are exporting to California or Asia or somewhere else, you will not have to and that will be a great advantage.

**Q1470 Stephen Hammond:** That is where we are now. You have just said that we will have to obey the standards that are set in the EU if we want to export into them. It does not seem to me that we are making a great deal of progress on the regulatory burden if that is the case.

**Dominic Cummings:** For a small proportion of the economy, we will have to abide by the EU standards. For the rest of the economy we will not. With respect, the situation you



describe is not the situation now. At the moment, 100% of British businesses have to comply with 100% of European Union regulation.

Mr Chairman, could I just make one point? Originally, I was only asked to come in for an hour and because your other guests have not turned up, I have stayed to answer more questions. I have now missed at least one set of meetings and I am about to miss another set.

**Chair:** I am afraid that is what happens when Parliament calls.

**Q1471 Stephen Hammond:** In response to Rachel Reeves, you spoke a lot about the financial services sector. We had two people here from large banks, call them what you will, and I know you are sceptical of that, but they both said, in explicit on-the-record evidence, to us that, notwithstanding the point you rightly make that London has been a great success for a period, since the period that we have been in the EU London has seen even greater financial strength and its financial centre status has been enhanced. Should the Committee take it that those individuals are either misguided or misrepresenting the facts to this Committee?

**Dominic Cummings:** No, I would not necessarily impugn their motives, not knowing who they are. Different elements of the City have very different views about the European Union, as you know. Big American investment banks have a particular view about the European Union, but that is also very much affected by their own structure. These big American banks have a structure in which they can use the European passporting system to exploit the European market whilst being outside the European Union rules for their bases in Asia and in New York. In lots of ways that is quite a convenient setup if you are Goldman Sachs or JP Morgan. As you will know, having talked to a lot of these people, many other organisations have a different view in the City. There are all sorts of different companies, so you cannot say, “Here is the City view.” There is a big bank view. There is a hedge fund view. There is—

**Chair:** We are going to have to move on and I understand you have been going for some time.

**Q1472 George Kerevan:** Good afternoon, Mr Cummings. It is probably good evening. You used an interesting phrase when you were answering questions to Chris Philp. You said that the UK leaving the European Union would add to, be part of and would reinforce “national renewal”. Is that your personal view or is that something that infuses the whole campaign officially?

**Dominic Cummings:** Almost everybody involved with our campaign thinks that if we vote to leave it will be an important part of national renewal, but also, as I said before, very good for Europe too.

**Q1473 George Kerevan:** Therefore, this is a political project, not a free trade project that you are proposing.

**Dominic Cummings:** Sorry, the EU is a free trade project?

**George Kerevan:** The Leave campaign is proposing a political project on a grander scale rather than simply a vision of free trade.

**Dominic Cummings:** I suppose that is, roughly speaking, a reasonable summary, yes.

**Q1474 George Kerevan:** Right, so criticism of the EU as a political project rather than as a free trade zone is rather misplaced then, because you are doing the same thing but with a different ideological model.

**Dominic Cummings:** I do not think so. We are making an overall argument that the EEC was set up in a certain way by Jean Monnet and his friends and it has developed and evolved in a certain way. We think it has been very damaging economically and democratically and after we vote to leave, it will be good both for our economy and for our democracy, but also it will be a beneficial step for our friends in Europe at the same time.

**Q1475 George Kerevan:** You have a broader philosophical model, it seems to me, and you, Mr Gove and the Mayor, the intellectual heavyweights, the leadership, seem to be broadly sympathetic with a world view that is liberal in the 19th century, free trade in the 19th century vision that the UK had, smaller government, a closer relationship with the United States, Australia and Canada. Would that be correct?

**Dominic Cummings:** Only partly. Most people involved in our campaign think that free trade is a good thing and it should be extended and it has been a good thing for the poorest people in the world. Our campaign is very much not, however, about a smaller state. That is not true. Obviously, Michael Gove and Boris Johnson have their own particular views, but as a campaign it is not Vote Leave's position that we should be cutting taxes and public spending.

**Q1476 George Kerevan:** I do find it difficult sometimes to distinguish between your personal vision on the website and Mr Gove's. I am not, at this moment, saying yes or no to that vision. There seems to be quite a nuanced vision there and that much of what you are arguing will come from a Brexit is to facilitate that broader view of the state and the individual and their roles.

**Dominic Cummings:** We have Frank Field, Gisela Stuart, Graham Stringer and other very senior and well respected members of the Labour Party who agree with us about free trade. As I stressed, the campaign is not about the benefits of deregulation and what-not. That is not our agenda.

**Q1477 George Kerevan:** I am simply trying to get a sense of what the campaign really means. You are saying that it is not about deregulation and it seems logical that voting to leave the EU would simply, therefore, in some sense, leave the UK free to decide its own regulatory regime. By definition, therefore, it

could choose to keep the same regulatory regime as we have at the moment or to toughen it, yes?

**Dominic Cummings:** Correct, and it may well be the view that in various ways, for example, there could easily be cross-party consensus that after we leave the European Union there should be far greater investment in fundamental science research. It could easily be the case that we take global environmental things much more seriously.

**Q1478 George Kerevan:** I take those examples, but so much of the documentation that you present in the Leave campaign to justify Brexit is premised on the regulatory burden that Europe places on us and that we could remove that regulatory burden. Is there not a contradiction between the evidence you have just given, which is that the fundamental thrust of the campaign is not about regulation or deregulation, it is about freedom to decide, but we have the freedom to decide to keep the burden of regulation, change or modify it? If that is so, then there is a contradiction in presenting the evidence, which you do, in terms of reducing financially or reducing for companies the regulatory burden.

**Dominic Cummings:** With respect, that is not an accurate description of how the campaign operates. If you look at the last leaflet we sent round, which had by far the biggest distribution of anything we have done, to millions of households, there is nothing in there about cutting the burden of regulation. Our point is we would be back in control of regulation and would have greater influence at a global level over regulation, but it is not about cutting specific regulations.

**George Kerevan:** Okay, so we should discount any financial numbers given in any of your literature that suggest that there would be savings from reducing the regulatory burden, because they are not germane to the central argument you are putting forward.

**Q1479 Chair:** Sorry to interrupt, but could I just clarify? A moment ago, you mentioned a leaflet that has had far greater circulation than any other leaflet you have put out so far. Did you supply that to the Committee when we asked you to supply your campaign literature?

**Dominic Cummings:** I did not send over the package. I assume that it has been sent to you. If you show me now all the things you have been sent, I can tell you.

**Q1480 Chair:** We are not going to do that. That would take a great deal of time, but it would be helpful if, as campaign director, you make sure that when a Parliamentary Committee asks you for literature and you are going to be giving oral evidence, you make absolutely sure you know what has been put in front of us. We are quite reasonably asking questions on the basis of what we understand to be in that literature and you seem to be giving the impression that a piece of literature, to which you have just referred, widely circulated does not contain those numbers.

**Dominic Cummings:** I am assuming that you have it in front of you. I am not suggesting that you do not have it in front of you.

**Q1481 Chair:** I am suggesting that you may not have sent it to us, but I do not know for sure, so I would be grateful—

**Dominic Cummings:** If you hunt around the pack, I could tell you straightaway—

**Q1482 Chair:** Order, order. I would be grateful if you would go back after this hearing and make sure that everything that should be sent to us under the terms of our request be passed to us immediately, so that we have it by first thing tomorrow. George Kerevan.

**Dominic Cummings:** I have forgotten your original question now, I am afraid. I beg your pardon.

**Q1483 George Kerevan:** The Vote Leave briefing document, “The single market is failing British business” says “The cost of the UK’s budget contributions to the EU and the burden of just 66 of the EU’s single market regulations outweighed what the European Commission claims are the benefits of the single market by £4.5 billion”. That seems to suggest in your campaign literature that you are placing an emphasis on what you claim would be the savings from removing the regulatory burden. I am just trying to clarify. You are now telling me that the issue of the cost of regulation is not germane. In fact, what you are arguing is simply the democratic right to set regulations in this Parliament. Therefore, if this Parliament then chose, hypothetically, to keep the regulatory burden as it now is or increase it, that would be fine.

**Dominic Cummings:** Yes. The overall argument we make is that we should take back control. The particular argument that we are making there is not about the cost of the single market. It is that the Commission’s own numbers do not stack up, the In campaign’s numbers do not stack up in their own terms. It is not that we should therefore get rid of all of these things. It is that if you look at how they make the argument, it does not stack up given their own predictions.

**Chair:** We have had a good look at the In campaign’s numbers, as you know, and you may have followed that hearing.

**Q1484 George Kerevan:** I accept that is your position, but I think any reasonable person would have concluded by now that a major thrust of the Leave campaign’s argument is there will be financial gains from reducing the regulatory burden. Let me put the question another way: why do you not give other examples? For instance, you could say, “If we have Brexit and if we can therefore set regulations by ourselves, we could expand regulation of the labour market in a way that would be beneficial to British workers”.

**Dominic Cummings:** We did do that.

**Q1485 George Kerevan:** Where?

**Dominic Cummings:** There was a document that we published.

**George Kerevan:** If you send it to us that will be fine.

**Q1486 Chair:** What is the title of this document that you are referring to now?

**Dominic Cummings:** There is a document that we published in the week after we launched, which looked at various things that are Labour Party policy and pointed out how various aspects of Labour Party policy, such as things to do with the railways, from memory, would be completely illegal under European Union law.

**Chair:** I have to tell you now that if we find that, as a Committee, we have asked for all relevant material and a good deal of this literature has not been provided to us, we are going to be very upset about it indeed and that may trigger a further response by this Committee. It is quite unacceptable. I do not think I have seen that document either. I do not know whether you have, George. Perhaps you have sent this literature, I do not know, but it is your duty, if Parliament comes to you asking for literature, to make sure it is supplied in full.

**Q1487 George Kerevan:** On at least four occasions you have mentioned Goldman Sachs. Where is Goldman Sachs headquartered?

**Dominic Cummings:** Its global headquarters, I think, are in New York, but I do not know.

**Q1488 George Kerevan:** It is pretty much an American investment bank.

**Dominic Cummings:** Yes.

**Q1489 George Kerevan:** You used it on several occasions as an example of an agency that has put undue pressure on European Commission, European institutions in order to subvert free competition in a free market, et cetera. Would that be a reasonable gloss of what you said?

**Dominic Cummings:** Not just that. Remember its appalling role in the Greek derivatives swaps that cheated Greece into the euro in the first place, from which Goldman Sachs made another fortune.

**Q1490 George Kerevan:** Taking your vision of the world, which some might call conspiratorial, you feel confident that, post-Brexit, when Britain came to negotiate its trading arrangements with the United States, somehow there would be less pressure and less difficulty dealing with United States regulatory officials? This is despite the fact that you are telling us that Goldman Sachs exhibits this

Machiavellian role in Europe and also despite the fact that of course, as we know, the likely next President of the United States has a relationship with Goldman Sachs, which has possibly got her into trouble, and that at least one Treasury Secretary I can think of, who was in the paper this morning, is ex-Goldman Sachs. Goldman Sachs also runs in the America that you are telling us it would be so easy to negotiate a free trade deal with.

**Dominic Cummings:** After we win and take back control and when we negotiate with America about all sorts of things, we will be in a far better position to deal with the likes of Goldman Sachs when Whitehall is in charge. That is despite the issues of competence and the problems with Whitehall that have grown over the last 30 years. There is also a fundamental issue of honesty, openness and pluralism. For all the failings of the Westminster Whitehall system at the moment, it is far ahead of continental Europe on this very important question. That is an important thing and is one of the reasons why I think that preserving pluralist institutions in Europe is a good thing for Europe as well as for Britain. The British example in lots of these things is something that Europe desperately needs.

**Wes Streeting:** Thank you for persevering with the session. I have been in the witness chair before in the same position, so you have my sympathy.

**Chair:** As a matter of fact, we both have and I apologise for the fact that this hearing has been going on for longer than we would like, but as you can see, on our side there is great interest in asking questions and, on your side, you have a great deal to say.

**Dominic Cummings:** You are shortly going to be forced to end by me going to the toilet, I am afraid, so go for your last few questions.

**Chair:** And you interrupt a good deal, which means that, on the whole, questions and remarks take longer than they otherwise would.

**Q1491 Wes Streeting:** Just picking up where Stephen Hammond left off, I do not think anyone could plausibly claim that there is unanimity amongst businesses and business people about whether we should remain in the European Union, but surely you must accept that the City of London Corporation has adopted an official position in favour of EU membership. TheCityUK's survey of financial services professionals saw 84% of respondents wanting to remain a member and 90% thought exiting the single market would damage UK competitiveness. The CBI's polling also showed an overwhelming majority in favour. I am not here to defend the CBI and their reputation, they are quite capable of doing that themselves, but they do represent over 190,000 businesses across the country.

**Dominic Cummings:** Do they? How sure are you about that?

**Q1492 Wes Streeting:** We will come back to that. You must surely accept, or please give me contrary evidence: is there a single poll that shows that the majority of businesses back Brexit?

**Dominic Cummings:** Given that the British Polling Council described the CBI's polls as "dodgy", I do not think any one of us should take seriously anything the CBI says, particularly given that the CBI had to officially apologise, back in 2001, about this whole issue of membership and how they survey them. Forget the CBI.

**Q1493 Wes Streeting:** On the British Polling Council point, I could not find the word "dodgy". I did see the complaint that you submitted and their response to it. I am not doubting your integrity, you have quoted, perhaps, a word and I would be interested to see where it was cited.

**Dominic Cummings:** It was widely quoted in the media. It is in writing, which I can provide to this Committee, if you like, it is the British Polling Council. The exact phrase was "This looks pretty dodgy".

**Q1494 Wes Streeting:** When I saw their response to your complaint, that characterisation through the use of that word did not leave me with the impression that this was a piece of work we should be too dismissive of. Nonetheless, it comes back to my central question. Let us take, for a minute, that you are right about the British Polling Council and it is dodgy and we dismiss that one. Is there another poll you can give me that shows the majority of businesses backing Brexit?

**Dominic Cummings:** Since 2004, I think, ICM has asked the question—this is not the exact words, but paraphrasing—"Do you think we should continue with the European Commission in charge of negotiating trade deals on behalf of Britain or should Britain take back control of trade negotiations, get out of the Common Commercial Policy?" The figure has been consistently 65%, 70%-ish for taking back control and getting out of the Common Commercial Policy, which of course is incompatible with EU membership. That is pretty strong evidence for a strong majority of businesses thinking that the current relationship is fundamentally flawed and should change.

**Q1495 Wes Streeting:** No, come on. That is evidence that, if given the choice, businesses would take back that particular element. You are quite right, under EU membership rules they cannot, but if they could, they would. We are trying to stick to the factual evidence base here and you cannot stretch from that one answer to a poll and specific question.

**Dominic Cummings:** The FSB poll of small businesses was 40-40, about three months ago or something like that.

**Wes Streeting:** The FSB poll was certainly tighter, but I do not want to get too bogged down on this. We just have to keep things in perspective in terms of what opinion polls have shown over time, even accepting that polls can be wrong.

**Dominic Cummings:** Dodgy, if they are from the CBI.

**Q1496 Wes Streeting:** There has been a theme throughout your answers this afternoon, which is a principle point concerned about particular institutions and most of your arguments rest on sovereignty. I would love to have that debate with you on another day, but thinking now about the practical consequences of leaving the European Union, in April 2014 a PwC report for TheCityUK said that loss of passporting rights could mean 70,000 to 100,000 jobs lost. Is that something that concerns you in the event of Brexit?

**Dominic Cummings:** No.

**Q1497 Wes Streeting:** Why would you not be concerned about that?

**Dominic Cummings:** I think we will solve the problem of passporting, but I also think it is a secondary question.

**Q1498 Wes Streeting:** How will we solve the problem of passporting?

**Dominic Cummings:** By negotiating with our friends.

**Q1499 Wes Streeting:** Why would you assume that you would get a good outcome that does not require us to sign up to a whole load of European rules that you have a big problem with?

**Dominic Cummings:** Because our friends in Europe want access to one of the three big global financial centres, which is 20 miles away.

**Q1500 Wes Streeting:** No country outside the European Economic Area has access to passporting rights. Given the scenario you painted earlier where the whole project could unravel, which seems to be a desired outcome, but it would certainly be destabilised, why, in that circumstance, would you imagine that we could negotiate a better deal than any other remaining member of the European Economic Area?

**Dominic Cummings:** Britain is in a unique position in the EU. It is the only country that also has a UN Security Council seat. It is the only country that even gets close to living up to its NATO obligations. It is in a different position and we will only find out when we have a serious group of people conducting a serious negotiation. That has not happened in the last few years. We will not know exactly how the details will be sorted out, but like all these things, given it is in everyone's interests to have a deal, it should happen. My main point is the most important thing about the banks is to have a stable system and avoid a repeat of catastrophe. Therefore, we should not entrust the tottering eurozone structure and the European Court of Justice with such an important role.



**Q1501 Wes Streeting:** I will come back to the ECJ shortly. You characterised officials in a rather unkind way and Chris Philp picked that point up earlier. Given he has done an apparently terrible job on renegotiation, do you think the Prime Minister should remain in post to lead the negotiation in the event of Brexit?

**Dominic Cummings:** It is not my call. Obviously, I think he has done a very bad job of the negotiation, but then you have to think about what it is that he has been trying to do. David Cameron has not been trying to solve the problem of the UK's relationship with the EU.

**Q1502 Wes Streeting:** I do not want to get too bogged down in this. I wondered if you might indulge me and you dodged the bullet, so I will move on to the issue of currency. If we were outside the European Union, how could we stop the EU from requiring that clearing houses dealing in euros are located in the eurozone?

**Dominic Cummings:** From requiring that clearing houses?

**Wes Streeting:** Yes. At the moment, there are clearing houses located in London, for example, dealing in lots of currency, including the euro. Outside the eurozone currently that is fine. In the event of Brexit, how would we stop the European Union from saying, "Okay, no more of that, London. They are coming over to Frankfurt"?

**Dominic Cummings:** They would not cut their nose off to spite their face. I heard the same stuff about the euro 15 years ago. They never did it then and they will not do it now.

**Q1503 Wes Streeting:** In fact, the European Central Bank previously did try to introduce such a requirement and it was only thanks to the UK taking the case to the European Court of Justice to outlaw it as being against single market non-discrimination rules that we kept it here. That is a really good example. You keep on referring back to 15 years ago; you keep on saying that they would not cut their nose off to spite their face. We are presently members of the European Union and, apparently, they already tried to cut their nose off to spite their face and this terrible European Court of Justice, which is so terrible we need to get out of the European Union, according to you, was the institution that we relied on to make sure that those clearing houses remained in the UK and those jobs.

**Dominic Cummings:** Even if they do what you are talking about, it is a tiny speck in the grand scale of weighing up the pros and cons of our relationship with the European Union.

**Chair:** That is a very different argument from the one you gave a moment ago.

**Dominic Cummings:** I have been trying to make the same point all along. You have to take an overall view. It is an extremely complicated field. There are pros and cons of any path. There are risks and dangers of a Leave vote and a Remain vote and you have to take an overall balance of all of these different things.

**Q1504 Wes Streeting:** Of course you do. What concerns me is that there is as principal top-line argument you can make, particularly around sovereignty, which is one you have weighed heaviest on this afternoon, but there are lots of practical consequences. I have given one example where the carte blanche, “Never happened before”, “We are a great country”, “Look, we are on the UN Security Council”—these arguments do not practically stack up. When we attack or see “Project Fear” attacked in the media, it is not Project Fear; it is simply identifying to the public there are genuine risks. Surely that is not scaremongering or fearmongering. That is making people aware of the genuine risks that exist in order that they can make an informed choice. If people like you say, on sovereignty grounds, “Never mind the economic impact and the jobs and all the rest of it, it will balance out,” I do not agree with you, but that would be a position that you could take and logically follow through. I do not understand why these legitimate concerns are dismissed as fearmongering or scaremongering.

**Dominic Cummings:** Not all of them are. There is scaremongering, but there are also people who make reasonable arguments and raise reasonable issues about the balance of risk and people in particular fields have particular views about different things. If you talk to people in the pension industry, for example, they are terrified of the idea of European harmonisation and think it would be a disaster. People in different fields have different views, and it is perfectly reasonable for some people to raise risks of Leave vote. There are risks of a Leave vote. I think the risks of a Remain vote are much worse. It is not just about control about who sets our laws; it is also about the practicality. The European Union’s biggest project is the euro and it has been an economic catastrophe.

**Q1505 Wes Streeting:** Thanks to Gordon Brown, we are not part of the euro.

**Dominic Cummings:** It has also led to the growth of political extremism throughout southern Europe, which we have not seen since the days of Hitler in the 1930s, and a political catastrophe for Europe as well. Our argument is not just about, “Oh well, Britain’s sovereignty, blah, blah.” It is also looking at the overall economic situation and the overall political situation for our friends in Europe.

**Q1506 Wes Streeting:** Sticking to some of the economic arguments, your website states that the EU-Canada free trade agreement includes services, financial services, mutual recognition of qualifications and procurement. Does the EU-Canada FTA provide the same sort of financial services market access as the single market does?

**Dominic Cummings:** It does not.

**Q1507 Wes Streeting:** My question was: does the EU-Canada free trade agreement provide the same sort of financial market services and market access as the single market does?

**Dominic Cummings:** I heard your question the first time and my answer was no, it does not.

**Q1508 Wes Streeting:** On that basis, can you name any bilateral trade agreements anywhere in the world that allow the sorts of things that access to the single market does, particularly, for example, how we negotiate home state regulated rights of establishment in the way the single market does?

**Dominic Cummings:** No, because there are none.

**Q1509 Wes Streeting:** Does that not concern you?

**Dominic Cummings:** No, it does not, because we are doing something new. We are part of the European Union and we are saying the system is broken and we are going to take a different path, in our interest and yours. We are trying to change a system that has been going relentlessly in one direction since 1949 and say that Europe needs pluralism and Britain can help Europe by catalysing the growth of pluralistic institutions on the continent. That is a good thing for Europe as well, so, by definition, these things do not already exist.

**Wes Streeting:** The Chairman is looking to draw things to a close shortly and I would quite like to go too. This afternoon, throughout this session—and I will inevitably miss some people off—you seem to have dismissed the concerns set out by the Governor of the Bank of England and the Bank of England, all of the work done by Treasury officials and leading members of the Conservative Government, who I would not support, but they may have had some sway. You have also dismissed the majority of business concerns and yet I do not think I have heard this afternoon any compelling evidence that would point to a better economic future outside the European Union. Is there anything at all? For lots of people out there, you have made some arguments that I would describe as good leaflet fodder and good arguments for people to weigh up in a discussion in the pub. What I have not heard are some concrete examples and evidence to reassure me about the concerns that are coming through from business, in terms of the impact on trade, investment, jobs and economic growth. These are legitimate concerns and you may feel that your complaints about sovereignty outweigh those concerns, but how can you dismiss those concerns so casually without evidence?

**Q1510 Chair:** I have one or two points I would like to make and I would like to give you the last word; that is a very broad set of points to make and it gives you a moment to reflect on them and also to respond to the points that I am going to make to you. You have made clear that Vote Leave is going to persist with a number of pretty controversial claims today. You have made it clear that Vote Leave is going to persist with the claim that the cost of EU regulation is at least £33 billion, ignoring an open figure derived from Open Europe, ignoring the fact that Open Europe themselves have clarified that this figure should be offset against the fact that their own best estimate of the maximum possible annual

saving from regulation is not £33 billion but £13 billion. Vote Leave is persisting with using the gross figure of the estimate of UK budgetary contributions, ignoring the fact that there is a rebate from which the UK has benefitted every year that it has been in place.

Vote Leave has been putting out literature—maybe you have not been distributing it into hospitals, but you have been putting out literature—many people would argue purporting to be from the NHS, while also badged up with “Vote Leave”, which many people would consider misleading. You have accused the Bank of England and the Governor of scaremongering today. You have described Goldman Sachs as “wide boys” bribing the EU to secure financial advantage. You have described Treasury officials as “charlatans”, if I have this down correctly, “squeezing snake oil from economic models”. You have told us that Cabinet Office officials and Number 10 officials are engaged in threatening behaviour with people with whom they deal all the time.

These, among other allegations, are truly extraordinary claims for the campaign director of Vote Leave to be making. I am going to give you the opportunity to comment on all of that in the round. I would only add one point: if you have some evidence to substantiate these claims, we would be very grateful to receive it in writing. We are happy to receive it under parliamentary privilege. They are certainly claims that would need to be pursued, but in their absence, we would argue that we have to come to the conclusion that they are themselves scaremongering or, some of them, fantasy. I would be grateful if you would comment.

**Dominic Cummings:** I am afraid I have such a bad memory I will forget some of the things you said; I should written them all down. On the numbers, what I will do when I go back—not tonight—is look at the Open Europe thing and refresh my memory on it. Either you are wrong or there are two different things on the Open Europe website, because what you quoted to me is not the same as what I have in front of me, so I will check that out and see what the true situation is and get back to you on that. Perhaps you are right or perhaps there are two different pages on the Open Europe website.

In terms of the gross net figure issue, we will not be changing that. As I said, given that the ONS describes it as a debit and everyone knows what a debit is from their bank statement, I think that is reasonable and we will stick to that. I would also point out that that is only the budgetary contribution. I have tried twice before to get Select Committees to do investigations into the EU procurement system and have not been successful. It is a great topic for this Committee to look at, to try to get some hard numbers on, because I know from my experience in Government and so does Michael Gove that Whitehall does an awful lot to keep this issue suppressed and a lot of taxpayers’ money is wasted as a consequence.

Regarding the literature, I can absolutely assure you that no one—

**Q1511 Chair:** I am sorry to interrupt, but I just want to clarify. You are suggesting that Whitehall is deliberately suppressing data that might illustrate the cost or waste in EU procurement.

**Dominic Cummings:** Definitely. You announce an investigation into EU procurement rules and ask a Secretary of State to come and give evidence on precise numbers regarding the contracts that they sign inside their own Departments and see how far you get.

**Chair:** That is very helpful. I am sorry to have interrupted; I just wanted a point of clarification.

**Dominic Cummings:** On your point about the literature, we have to agree to disagree about whether it is misrepresenting anything. No members of the public ever say to us, “You are pretending to be from the NHS”, so that is not a problem. I do think it would be bad if people from the campaign were putting things like that in the hospital. All I can say on that is that I absolutely 100% guarantee you that when I saw that story, I asked if anyone from the office had done this or if anyone knew if any of our volunteers had done it. The answer is we do not have a clue if that even happened. If it did happen, we do not know where it came from, but it is certainly not us and it certainly will never be us. I can reassure you on that issue.

I am afraid my memory has now given up on me about the other things. Are there any specific things you want to remind me on?

**Chair:** Come back to us in writing, but there was also a general set of points from Wes Streeting.

**Dominic Cummings:** Yes, a two-fold question. To answer the first part of your question, in the 1930s, if you had asked this House, Whitehall, the City of London and the CBI about what the best policy was on the deterrence of Germany, you would also have had a very clear, almost unanimous conventional wisdom—a conventional wisdom that turned out to be wrong. Conventional wisdoms that span all the elements of Government and bureaucracies are very, very, very often wrong. The entire conventional wisdom, for example, about the regulation of financial markets before 2008 was completely wrong and a handful of people, often physicists, not economists, were the ones who were telling you all, “Do not listen to these guys. Do not listen to what these big banks are saying. They do not even understand their own bloody products”. Saying that all these different organisations all say the same thing is not a very good scientific way of approaching this sort of problem, I do not think—quite the opposite. Conventional wisdom solidifies bureaucracies and it is important to challenge them.

Turning to your second point, about the economics, of course we could go and hire someone to produce some spurious number about the trade benefits of leaving the EU and come back with a £4,400 figure on how it would all be great. We have already had all the usual economic consultancies on the phone and emailing, saying, “If you give us some huge fee, we will produce these reports for you.” The truth is these modelling exercises are bogus. Overall, there is a reasonable position to take that having a system of free trade and encouraging business competition is good for a country and it is also quite a democratising process. It limits the power of big multinational businesses. It limits their ability to corrupt the political process by buying political power.

Our basic argument with Vote Leave is that after we vote to leave, we will take back control, we will have a traditional free trade agreement with our friends in Europe, but without putting on top of that a whole set of other regulatory structures, which tend to

work in the favour of established players. You can take a different view on that. Organisations like the CBI obviously do, for self-interested reasons, but that is our view. We think there is good reason to say that that approach to the world will leave people a lot more prosperous as well as having a much healthier democratic system.

Finally, we also think that if you look back at the history of this continent, one thing is for sure: Europe needs pluralism. It does not need centralisation and group-think and all power being lumped in together. Britain has unique institutions, a unique history and a unique culture, and after we vote Leave it will be good for Europe, as well as for us, that we encourage our friends in Europe to go down a different path, which will encourage other institutions to grow and decentralise power in the continent more.

**Chair:** We are very grateful to you for giving evidence. We have been going just over three hours, which is rather longer than we normally do. I am very sorry that you have missed other appointments as a consequence. We look forward to receiving the further written evidence that you have just discussed on a number of points and reassurance that the Committee has received all the relevant literature, whether electronic or hard-copy, which has been published. Thank you very much for giving evidence to us this afternoon. We appreciate it greatly.

**Dominic Cummings:** Thank you very much for inviting me here.