



Constitution Committee

Corrected oral evidence: Parliamentary scrutiny of treaties

Wednesday 12 December 2018

11.30 am

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Members present: Lord Norton of Louth (The Chairman); Lord Beith; Baroness Corston; Baroness Drake; Lord Dunlop; Lord Judge; Lord MacGregor of Pulham; Lord Morgan; Lord Pannick.

Evidence Session No. 7

Heard in Public

Questions 62 – 68

Witnesses

I: Nick Dearden, Director, Global Justice Now; David Lawrence, Senior Political Adviser, Trade Justice Movement.

Examination of witnesses

Nick Dearden and David Lawrence.

Q62 **The Chairman:** Mr Dearden and Mr Lawrence, good morning. Thank you very much for being with us. Formally, would you like to identify yourselves for the record?

Nick Dearden: I am the director of Global Justice Now.

David Lawrence: I am the senior political adviser at the Trade Justice Movement.

The Chairman: Thank you very much. If I may start with the first question, I will direct it to you, Mr Dearden. In your evidence, you suggest that the current process of treaty scrutiny leaves a serious democratic deficit. Do you want to explain the reasons for that?

Nick Dearden: Certainly, yes. Modern trade deals—this is a move that we have seen over the last 20 or 30 years—often contain provision for far, far more public policy than they did in the past. It is not just about reducing tariffs any more, in short. It is about regulation and regulatory coherence; it is about how a state should treat investors, public procurement rules, intellectual property rules, online and offline services. It covers a huge amount of the public policy space that normally would be overseen by parliamentarians.

For the last 40 years, the European Union has done this job on our behalf. We have had some scrutiny of that, but very little. It has a very detailed and in fact rapidly evolving process for how it scrutinises and holds the Executive to account for what they are talking about in trade deals. We do not have any of that. Essentially, trade deals are negotiated under royal prerogative. There is no presumption of transparency, so parliamentarians do not even have the right to see negotiating texts. Parliament has no ability to discuss or vote on the mandate, the red lines or the framework that the Executive will take forward in a trade deal. There is no duty on the Government to publish impact assessments. There is some civil society consultation, but that has been promised by the Government; it is not a legal duty. When the trade deal is finalised, signed off and comes back to Parliament, there is really no ability for Parliament to stop that trade deal, if everything has gone wrong. If we had these other processes, you would hope everything would not have gone wrong by that point, but as things stand there is no ability to stop it.

Given the huge areas that trade deals cover, that can only be described as a glaring democratic deficit. We know the Secretary of State for International Trade has said, if necessary, there would be primary legislation, implementing legislation. We are really concerned that this implementing legislation would miss huge areas of the trade deal that we are concerned with. For example, investor-state dispute settlement, this process by which foreign businesses and investors can sue Governments over laws they believe are unfair, would not be covered by implementing

legislation. Opening up sectors of the economy, such as the NHS, has caused some campaigners a lot of concern, including me. That would not be included under implementing legislation. Changing the rules of imported meat production through mutual recognition—you have all heard about the famous chlorine chickens—is unlikely to be included in implementing legislation.

Implementing legislation is really no guarantee that parliamentarians will be properly able to hold the Executive to account for what they are negotiating. Given that it is such an enormous area of public policy, of concern to so many people in the country, we believe that is a real problem.

The Chairman: Mr Lawrence, do you agree with that?

David Lawrence: We definitely agree with that. The current process of treaty scrutiny is, as you know, based on the Ponsonby rule. In fact, in CRAG, it is literally the Ponsonby rule on a statutory footing. Ponsonby was designed for a completely different era of treaty making. It was after the First World War, and it was designed to address the secret treaties and the secret making of treaties that were thought to have led to the First World War. We are in a completely different era. As Nick said, not only does it not address the kinds of treaties we are now interested in, but trade agreements have substantially changed since then, not just compared to 1924 but, as Nick said, in the last 20 or 30 years. They now cover huge areas of public policy.

They have an impact on rights that ordinarily would derive from primary legislation, including the kinds of rights that the Miller case was concerned with, which we might touch on later. Things such as consumer rights, workers' rights, environmental legislation and health standards are all affected. It does not make sense to draw a really clear-cut, dualist split between the Government doing international treaties and Parliament doing the implementation, because treaties will have this effect on domestic legislation. As Nick outlined, the implementation part in Parliament does not address a lot of the concerns we have within modern trade agreements.

Q63 **Baroness Corston:** If we take as given the deficiencies you have both identified in the scrutiny process in Parliament, what should we do to remedy the situation?

David Lawrence: First, we would like to see Parliament be involved in setting the mandate for trade agreements. It should be involved early on in the treaty-negotiation process. That would ensure the views of MPs and, particularly importantly, their constituents and the general public are represented before negotiations even begin. We would like to see transparency during negotiations. There was huge public backlash against TTIP, the proposed EU-US trade agreement. Part of it was that people did not like the content of TTIP, but a big part of it was that people did not like the idea that MPs did not have access to the information, and that these deals were being negotiated in secret without much democratic

oversight. The public are really interested in trade deals, and are not happy with the way they are currently being negotiated.

Thirdly, we would like to see a guarantee of debate and vote for ratification. Currently, under CRAG, there is no guarantee that a debate or a vote will take place. Fourthly and importantly, the vote has to be meaningful. Currently, with CRAG, it is a Hobson's choice: take it or leave it. That does not give MPs or Lords the opportunity to reject the bits of a deal they might not like and accept the bits they like. Instead, they have to reject or accept it all. That makes little sense when you think of how much public policy is covered by these agreements. If you think of how we do public Bills, there is a lengthy process where you can propose amendments, get rid of certain bits that do not have the support of Parliament or add in certain bits. Bills sometimes cover, arguably, a narrower range of public policy than certain modern trade agreements, and yet we do not have that meaningful vote.

Lastly, as Nick mentioned, we would like to see some sort of mechanism whereby Parliament can withdraw from treaties that are not fulfilling their objectives. If information changes or if economic circumstances change, a treaty might no longer be fit for purpose. We would like to see some process for that to happen.

Nick Dearden: Our organisations have worked together, but we have also worked with quite a wide range of non-parliamentary organisations including trade unions, academics and even businesses. The International Chamber of Commerce also joined us in supporting a framework very much like the one that David has outlined. It really has quite broad buy-in. Indeed, over the last couple of months, we have both spent quite a long time speaking to parliamentarians from both Houses here. I have not come across anybody from any party who does not think we need substantially better democratic scrutiny and accountability for trade deals. The only difference of opinion has been whether the Trade Bill is the best place to do that.

We are really worried now, because there are no plans coming out of the Department for International Trade for future legislation on this. The Secretary of State has now released a process that gives Parliament no additional power at all and confers no duties. We have 14-week consultation periods. They can be online, and that is great. We support both those things, but it is a very small move towards transparency. Last week, the Secretary of State for International Trade told the International Trade Committee, "The Government took the view, and I personally strongly take the view, that one of the problems with TTIP was that the public had not had the ability to be consulted fully at the beginning of the process, nor was there sufficient transparency during the process to maintain public assent for it".

I do not always see eye to eye with the Secretary of State, but on this I agree with him. Yet there was far more detailed public consultation and transparency for TTIP than we would currently have, if we were to move towards a trade negotiation with the US tomorrow. The point he makes

about losing public support for trade and open markets would apply several-fold to the process we have here in Britain.

Baroness Corston: In your written evidence to us, you have given proposals, which you have now both summarised, that we could say are aspirations. How would Parliament fulfil those aspirations? Should we have a committee structure crossing both Houses or one in each House? Have you thought about that? Have you looked at the way Australian scrutiny committee works and whether that could be an appropriate model?

Nick Dearden: You have done a bit more thinking on the committee structure than I have.

David Lawrence: Yes, committees could definitely play a role. Committees are the obvious place where issues can be explored in more depth than just on the Floor of the House, if you get allotted time for a debate. The other good thing about parliamentary committees is that they have a level of independence from Government, which means that if they hold inquiries into trade agreements it is a better process throughout. The Department for International Trade is currently consulting on four proposed post-Brexit agreements. We are pleased that it is consulting on them, but it does not have to. It is not mandatory. It is unclear what the exact process is. We are not sure how the information is taken and which groups they are choosing to listen to. It is quite secretive.

The way parliamentary inquiries are done is like this: it is all broadcast; it is all transcribed. Committees can definitely play a role. On their own, committees would not provide everything we would like to see, particularly in terms of Parliament finally voting on deals and being involved with setting the mandate.

Q64 **Lord MacGregor of Pulham Market:** We have referred to other countries and their approaches to this. Compared to the US and the EU, how far behind are we? You have made some suggestions in your evidence to us, but are there others in the same position as us?

Nick Dearden: Let me give an example from the European Union first. Given that we were told we were leaving the European Union to take back control, you would expect that, as a minimum, we would have the same standards and processes as the European Union currently enjoys. There, the Commission has to hold a public consultation based on scoping exercises and impact assessments right at the beginning. Those impact assessments have to include various aspects of social, environmental and human rights impacts, as well as economic impacts. The Council then sets a mandate; Parliament debates that mandate. Indeed, in some countries in the European Union, even their own Parliament negotiates that mandate. We do not do that, but Denmark and the Netherlands do it, in terms of what position their Government should take on the Council.

The Commission is legally bound to keep Parliament informed immediately and fully at all stages, and Parliament can make its views known. The Commission is required to take them into account. There are new precedents on MEPs being allowed to see documents. That was extended enormously through the TTIP process because of public disquiet. After signing, the Parliament and the Council must both give consent. For some agreements, because the European Union does not hold the remit to discuss absolutely everything that could be in a trade deal, all 40 Parliaments and Assemblies recognised by the European Union also get to debate and vote on the deal. There is a formal civil society dialogue throughout, in which, as far as I know, everybody can take part.

The European Ombudsman has said that even this process is inadequate, and I would agree, but at the moment we have none of that. There really is no legal duty on the Government to listen to input from either civil society or parliamentarians. If the Government really wanted to force something through, it would be almost impossible in any formal way to stop that.

David Lawrence: In the EU, the European Parliament has stopped a treaty happening before. The example that comes to mind is the Anti-Counterfeiting Trade Agreement. There was public backlash because of how it would affect online freedoms. The European Parliament was able, therefore, to reject the treaty, whereas the UK Parliament has never rejected a treaty using the CRAG mechanism.

Neither the US nor the EU model is perfect, but they are good at different things. As Nick mentioned, the US and EU both have fairly lengthy consultative processes. The US has a public consultation for 90 days prior to the initiation of negotiations; its advisory committee system is one of the most consultative mechanisms. It includes 700 citizen advisers, who gain access to confidential information. We do not have anything like that in the UK. The process of scrutiny is less good in the US, but even there, under the fast-track process, both Houses get a guaranteed up or down vote. Obviously, because of the American system, there is no guarantee that the President has a majority in Congress. In fact, he or she often does not. That means that whatever the Executive propose has to have some level of cross-party support. Again, we do not see that in the UK. There is no guaranteed vote; there is no requirement or incentive to appeal to opposition parties in the way there is in the US system. Neither system is perfect, but I would say we are very much behind both the US and the EU.

Q65 **Lord Pannick:** Are there any other scrutiny procedures around the world that you would commend to us?

Nick Dearden: We have mostly focused on the EU and bits of the US, as David says. But I am really interested in some of the member states of the EU, as I have already mentioned. Denmark, the Netherlands and Finland have always taken a more rigorous approach than we have in Britain to holding the Executive to account on trade deals. In those

Parliaments, the Government cannot just go to the Council and agree a mandate, and then the mandate changes and the Parliament has no say. The Government are duty bound to come back to the Parliament and get fresh agreement if the mandate ever changes. Denmark is a really interesting country to look at. Of course, it does not have an independent trade policy—the same as us at the moment. But even without that, with all the added scrutiny, it is really interesting.

There are also interesting things to look at in both the Belgian and Canadian cases. Belgium obviously does not have its own independent trade policy either, but it is really interesting in how it engages devolved Assemblies and Parliaments in discussions. All the different provinces in Belgium have to assent to a trade deal. At the moment, if the EU negotiates it and they do not have any competence at a local or national level, of course they do not. If they have competence, all the provinces have to agree.

In Canada it is the same. Canada is interesting, because the central Government, the federal Government, can go off and negotiate a trade deal without devolved input. However, the provinces then do not have to implement that trade deal, so it makes complete sense for the federal Government to keep the provinces on side throughout. In the recent CETA negotiations, Canada included devolved provinces in its negotiating team at every point so they could be pretty sure, when it came back, that they had a reasonable chance of getting it through. There are two interesting examples there.

David Lawrence: I can add a couple more. As I said, none of these is perfect, but someone mentioned Australia, which has this relatively new Joint Standing Committee on Treaties. It has the power to conduct inquiries and to seek private informal briefings during negotiations. It has a mechanism for update while negotiations are ongoing. The WTO has a better model of transparency. It publishes reports and submissions during negotiations, not just after they are agreed. The UN Framework Convention on Climate Change does the same. The World Health Organization, the World Intellectual Property Organization and the UN Human Rights Council have much higher levels of transparency.

Another model of stakeholder engagement is the Cotonou agreement, which was between the EU, African and Caribbean countries. Before the negotiations began, they set out a framework for how stakeholders would be engaged. Non-governmental groups and individuals were allowed on official delegations as part of the negotiation. Similarly, the EU-ECOWAS agreement, with the Economic Community of West African States, went even further in allowing certain civil society groups in the negotiation process. There are different models out there. None of them is perfect and does everything, but there is a lot we could learn from those other models.

Q66 **Baroness Drake:** The evidence we have taken and the other models we have looked at reveal a tension between the desire for transparency during the negotiations of an international agreement and the need for

the parties involved to conduct negotiations in private. In your view, how should the Government balance those competing pressures in future treaty negotiations?

Nick Dearden: We would like to see a presumption of transparency. One of the last witnesses also referred to the idea that it is okay if you want to keep something secret, but it has to be listed and you have to give an explanation for it, and committees should be able to argue back against that if they thought it was not justified. That is important.

It is completely practical and doable. As David mentioned, there are a number of international institutions, including the WTO and the UNFCCC, where all negotiations are essentially online. They are not discussing things that are less contentious or less important than a trade deal between two nations. But we are now moving in the European Union, although we are not quite there yet, towards the presumption of transparency. Part of the reason for that is the disquiet over TTIP and the fact that a massive trade deal, into which enormous amounts of energy and time had gone, could not be completed because of public disquiet.

It is really interesting to see what the European Ombudsman said about that. "Citizens are increasingly aware that TTIP will produce rules that impact on them in a manner analogous to how legislation impacts on them". "Citizens expect and demand the right to know and to participate when it comes to TTIP". She proposed essentially routine and automatic publication of all documents, which I have described as a presumption of transparency. Of course, that does not mean every single thing discussed in a room between the negotiators has to be minuted and made public, but it means that the Government's essential position and how it changes does; otherwise it is impossible to hold the Government to account for what they are negotiating.

At the moment, we are really worried by the Government's view that these are essentially commercial contracts and, as with commercial contracts, there is not enough public interest in giving transparency. We do not think they are commercial contracts; they are big pieces of public policy. For that reason, we are really disappointed with the Department for International Trade's current practice failing to meet even the basic of freedom of information standards. In the last quarter, less than 27% of all requests made had a full response with nothing taken out of it. They turned down nearly 50% of all requests in full, and 34% of responses to requests were late.

They will not even tell us basic information. We know they are discussing potential post-Brexit trade deals with a number of different countries. At the moment, we do not even know how often working groups meet. There is no duty on the Government to report back from those working groups, and they often do not. This is really worrying. They are negotiating trade deals with countries, including the US, Turkey and Saudi Arabia, some of which have serious human rights problems, and the Government has no duty at all to tell even Parliament or a committee

such as this one what their strategy is or what they are talking about with those countries. That has to be a really severe problem.

David Lawrence: One reason we have such high levels of opacity or secrecy around treaty negotiations is that, historically, they would have been related to defence and security. In those examples, it is much easier to see why you might want a high level of secrecy. You would not want everything public or even available to Parliament sometimes. Trade agreements are not like that. As we have said earlier, they have really changed over the last 20 to 30 years in their public policy impact. There is a much higher level of public interest in what is in those agreements.

We are often frustrated by how it seems to be treated as almost an a priori truth that all treaties must be done in a secretive way. It is not really clear why that has to be the case for trade agreements. As Nick said, they are not private contracts; they are not defence treaties. They are completely different. You could make efficiency-based secrecy arguments for a whole host of things that we presume ought to be public in a democracy. Bills get debated on the Floors of both Houses; everything is on *Hansard* and everything is publicly available. There might be an argument that in some cases it would be more efficient if those were not debated openly, but that is not how a democracy works. People have an interest in what is said and the Government's position. We think trade agreements should be treated in the same way.

Nick Dearden: It is interesting that, in the United States, trade deals very often receive fast-track approval. It still requires an up and down vote at the end, as David said, but Congress does not need to follow every step along the way. However, they do not always get fast-track approval. That means Congress can amend a trade deal once it has already been signed. You would think, "There is no way you could ever get a trade deal agreed under those circumstances", but it is not true. Trade deals have been agreed within the last 30 years in the United States without fast-track approval. There is this idea that we will never get anything done if we make things too transparent, but I am not sure the evidence bears that out.

David Lawrence: Even in the fast-track process, the US Executive state and publish their objectives, which is one of the things we would like to be transparent, but the UK Government do not have to do that.

Baroness Drake: If I can sum up the views you have both expressed, the presumption of transparency does not unreasonably fetter the Government in trade negotiations. Would that lead you to argue, therefore, that the principles and practices around transparency can be different according to the category of treaty—defence, security, trade and so forth?

Nick Dearden: I suspect it could be but, as I said in written evidence, I am not expert enough in the range of international treaties to know what that might look like. The same basic rules probably apply. If this treaty will bring in changes to public policy akin to the kind of changes that

would normally be introduced through primary legislation, it should have a fairly hefty scrutiny and accountability process. You may want to make exceptions, but it is important that the presumption is on the side of transparency and those exceptions really have to be argued for.

David Lawrence: Yes, we would agree with that. We work only on trade, as you might expect, being the Trade Justice Movement. One of the points we have found ourselves repeatedly making is that trade agreements have this effect on public policy and people do not realise that.

Q67 **Lord Judge:** Confining ourselves to trade issues and your concerns about the serious democratic deficit, which you have both explained very clearly, can we go back to the starting point? What about the public and what are sometimes called stakeholders? What sort of consultation should take place with the public, in its very broadest sense, and how? What would be effective and ultimately useful?

David Lawrence: As I mentioned earlier, we are unsatisfied with the way the Department for International Trade is currently doing it. There is no obligation for them to hold consultations or to involve stakeholders. They do sometimes, and it relies on the generosity of Liam Fox and the Department for International Trade, or political pressure. We do not think that is a good—

Lord Judge: May I interrupt you? Do I gather from what you are saying that this should be automatic?

David Lawrence: Yes, it should be mandatory or statutory—whatever is required to make it automatic. For example, they are currently consulting on trade agreements with the US, Australia, New Zealand and membership of the Trans-Pacific Partnership. They are not consulting on agreements with Canada or Japan. The reason for that is that Canada and Japan are rollover agreements, but big parts of those agreements have not been agreed yet, particularly bits we are interested in such as investor-state dispute settlement, which may or may not be in the Japan agreement and may or may not be in the Canada agreement. Those are not being consulted on, and that is just a decision they can make as the Executive, because there is no obligation that there needs to be consultation.

As I said earlier, the DIT process lacks clarity. We always diligently put in consultation responses, but we are not sure who reads them or how they are balanced against other responses. We are also not sure how they make decisions about which stakeholders to listen to in their advisory group. We heard from one of our members that one of their advisory groups contains representatives from six private sector organisations and one trade union. You may or may not think that is a good balance, but, regardless, who is making that decision? Why is that decision being made? Is it politically motivated? Is the trade union expected to be on board with what the Government are doing? Will they be invited back next time if they are not?

We would like to see Parliament have a formal role, as I mentioned earlier. Parliament has this level of independence.

Lord Judge: I am sorry to interrupt you. Can we confine ourselves to the public in the more general sense, rather than Parliament? We have heard about Parliament.

David Lawrence: I meant in terms of engaging. It is a good forum. The Select Committee system is really good at bringing in members of the public, and there is a level of independence that means committees tend to be willing to invite people from across the spectrum with different views, whereas there is an incentive for the Government to prioritise those who are more likely to agree with their positions.

We would also like to see consultation be more localised, reaching beyond Westminster and the Westminster bubble. Oddly, one example we have of this comes from the negotiations on TTIP, the EU-US trade deal. A rather uncreatively named group called BritishAmerican Business went out and did road shows across the UK to promote TTIP and engage the wider public after immense backlash against TTIP. It had a certain agenda and reason for doing that, but we think something like that is on the right lines in listening to those whom the trade deal will affect. TTIP or a future UK-US trade deal could have a big effect on UK farming. We cannot rely on everyone who is being affected by a trade deal to notice that DIT is holding a consultation, and to be noticed by DIT and invited on to advisory groups. That seems unlikely. Some process of reaching out beyond the confines of Westminster would be good.

Nick Dearden: There is a real thirst for this. It is a wonderful time to be alive for those of us who are interested in trade and have worked to engage the public on trade for a long time. I am going to quote the Secretary of State positively again; it is a record. He said to the International Trade Committee last week, "In the end, we received more than 600,000 responses to the trade consultation"—this is the trade consultation with the US, the TPP, New Zealand and Australia—"which almost certainly makes it the biggest consultation that any British Government have undertaken". He went on: "There was quite a lot of detailed engagement with the process, which I take to be a very good thing, and a high level of engagement". I agree with all that. It just shows how trade has moved up people's agendas.

As I said on the public consultation, 14 weeks is good and it is great to have it online. But there have been serious problems with how this last consultation has been handled. Despite the 600,000 responses, there was very little information on what the Government's objectives would be in the trade deal with the United States, for example. For me, a serious consultation must be informed by scoping or impact assessments in advance. Otherwise it is really difficult for us not to just say, "These are the things we are worried about". It is difficult to engage at a deeper level.

There should also be a guarantee that those views will be listened to. The Secretary of State has set up a civil society consultation group. We have no problem with that. However, in terms of the different sectors represented on the group, it is overwhelmingly biased in the direction of business. I am in no way saying that businesses should not be consulted on trade deals; of course they should, but it should be a more representative group as a whole. But the different sectors on that group do not get to choose who they send. The Trade Justice Movement, for example, is not on that group. It has not been allowed to be on that group. That is a real problem. We believe that the people on the group have to sign something so they cannot really engage in public debate, because they are not allowed to repeat anything they hear on the group. There are big problems in the way the consultation we currently have has been established.

It would be really good to go a lot further and look at the stuff the European Union put into place under TTIP. We had whole days of consultation where lots of civil society organisations and businesses could go in. We were directly in rooms with negotiators, putting forward all sorts of different views. It did not help TTIP in the end, but it was a really positive way of engaging lots of different sectors of society in a debate about what trade could achieve or could not achieve.

Q68 Lord Morgan: Could I ask about devolution a bit, please? You say in your paper that there should be a consent process involving the devolved legislatures. I am sympathetic to that thought, but I was wondering how far you would go. Would it be suggested that the devolved legislatures should have some kind of veto? In your paper, there is an analogy with Belgium. I was a very good friend of a former ambassador to Belgium, who said it was rather like being the ambassador to two quite different countries. Do we want that?

Nick Dearden: The issue underlying this is that we have a devolution settlement, and trade is not included as a devolved area of responsibility, but trade deals are so broad that they impinge on devolved areas of responsibility. To take one example, in a trade deal you could easily open up for liberalisation the Scottish water and energy systems. The responsibility for that is mostly devolved, but they would not actually get a say as to whether those sectors were opened up. For me, that impinges to a really serious extent on the ability of those regions and countries to manage their own affairs and manage the devolution settlement we have.

In my view, there should be processes in place so that, where a trade deal could potentially impact on areas that are devolved, those parts of the trade deal must get consent from the different regional Assemblies and Parliaments. It would not necessarily be a veto to the entire trade deal, but it would be a veto if there was a belief that the trade deal had impinged too much on an area of devolution that those Parliaments and Assemblies believed was inappropriate. You could easily imagine a situation where you never got into a situation of difficulty by looking at the process in Canada and, to some degree, Belgium, where they say, "We have to get these regions agreeing to a final trade deal. Therefore,

we will bring them in at a very early stage, and even include them on the negotiating committee and so on". There are probably government representatives in those different areas who have been fully part of the discussions all the way along and can go back to their Assemblies or Parliaments to argue why they believe this is a good trade deal and be held to account for that.

That is how I would see it. In some ways it is a veto, but it is not a veto of the entire deal, separate from the things that would very specifically impinge upon the devolution settlement. Of course, how we do that would take some working out.

Lord Morgan: Yes, it would have the effect of a veto, would it not, even if it concerns the ancillary aspects?

Nick Dearden: It could do. From my point of view, surely we would want the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly to want a trade deal, given that it will affect people in those parts of the country as much as anybody else and possibly more. You are right about the situation in Belgium and the strong power the provinces have over international treaties. We all know the Walloons were part of stopping the TTIP process because of their concerns about agriculture and so on, but that does not mean that Belgium has no trade deals. It has lots of trade deals. It has signed lots of international agreements.

I would like to suggest that more democracy, more transparency and more accountability will not necessarily mean that we will have any less international agreements and it would make negotiations impossible. I hope we end up with international agreements that have a very broad degree of buy-in from across the population of the UK.

David Lawrence: At the Trade Justice Movement we are not committed to a particular model of how involving devolved Administrations would look. We are certainly not committed to a view that they necessarily have this veto right. We are open to different ways of doing it. One model could be the Joint Ministerial Committee model, which has already been used a bit for EU negotiations. This is similar to Canada, where, as Nick mentioned, the federal Government have the power to conclude trade agreements but cannot oblige provincial authorities to implement them.

If you involve devolved Administrations earlier in the process, you are much more likely to have final consent from them to whatever is agreed. That is true of MPs as well. If all MPs get to do is vote at the very end, you are much more likely to have gridlock and this constant battle between the Executive and Parliament. If MPs, civil society and devolved Administrations are involved earlier, whatever you end up with is much more likely to have consent.

Nick Dearden: It would also force the Executive to treat those parts of the country more seriously in trade deals. At the moment, we know from discussions we have had with civil servants in the Department for International Trade that they do not do specific impact assessments on

how a trade deal will affect Scotland, Wales or Northern Ireland. This would force them to do that and they should do that. Trade deals will affect a country in all sorts of different ways, different regions in different ways, and different industries in different ways.

One reason that public support for trade is waning across the western world is that we have assumed trade deals are just good for everybody for an awfully long time. They are not good for everybody. There will be losers. A key question is how to ensure that the people, industries and sections of the country that lose out receive proper investment, proper training and proper mitigation for their losses. It may well be that the cotton industry no longer exists in Lancashire, but people in Lancashire need some industry. They need some decent jobs; they need investment in their economy, probably more than London does. That has been forgotten for too long by people negotiating trade deals. We need to find ways of putting it foremost in their mind.

Lord Morgan: We could pursue this at length. It is very interesting. Thank you.

The Chairman: Thank you both very much indeed. Mr Lawrence and Mr Dearden, that was extremely helpful to us in our inquiry. We are very grateful for your evidence and for you being with us this morning. Thank you both very much indeed.