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Public Bill Committee

TRADE BILL

Fifth Sitting

Tuesday 30 January 2018

(Morning)

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Saturday 3 February 2018

The Committee consisted of the following Members:

Chairs: Philip Davies, † Joan Ryan, James Gray, Sir David Crausby

† Badenoch, Mrs Kemi *(Saffron Walden)* (Con)
† Bardell, Hannah *(Livingston)* (SNP)
† Brown, Alan *(Kilmarnock and Loudoun)* (SNP)
† Cummins, Judith *(Bradford South)* (Lab)
† Esterson, Bill *(Sefton Central)* (Lab)
† Gardiner, Barry *(Brent North)* (Lab)
† Hands, Greg *(Minister for Trade Policy)*
† Hughes, Eddie *(Walsall North)* (Con)
† Keegan, Gillian *(Chichester)* (Con)
† McMorrin, Anna *(Cardiff North)* (Lab)
† Prisk, Mr Mark *(Hertford and Stortford)* (Con)
† Pursglove, Tom *(Corby)* (Con)
† Rashid, Faisal *(Warrington South)* (Lab)
† Smith, Nick *(Blaenau Gwent)* (Lab)
† Stewart, Iain *(Milton Keynes South)* (Con)
† Vickers, Martin *(Cleethorpes)* (Con)
† Western, Matt *(Warwick and Leamington)* (Lab)
† Whittaker, Craig *(Lord Commissioner of Her Majesty's Treasury)*
† Wood, Mike *(Dudley South)* (Con)

Kenneth Fox, *Committee Clerk*

† attended the Committee

Public Bill Committee

Tuesday 30 January 2018

(Morning)

[Joan Ryan *in the Chair*]

Trade Bill

9.25 am

Clause 2

Implementation of international trade agreements

Barry Gardiner (Brent North) (Lab): I beg to move amendment 5, in clause 2, page 2, line 13, leave out subsections (3) and (4) and insert—

"(3) Regulations under subsection (1) may make provision for the purpose of implementing a free trade agreement only if—

(a) the other signatory (or each other signatory) and the European Union had ratified a free trade agreement with each other immediately before exit day, or

(b) where the regulations are made before exit day, the other signatory (or each other signatory) and the European Union have ratified a free trade agreement with each other on the day the regulations are made.

(4) Regulations under subsection (1) may make provision for the purpose of implementing an international trade agreement other than a free trade agreement only if—

(a) the other signatory (or each other signatory) and the European Union had ratified an international trade agreement with each other immediately before exit day, or

(b) where the regulations are made before exit day, the other signatory (or each other signatory) and the European Union have ratified an international trade agreement with each other on the day the regulations are made."

This excludes from the scope of section 2(1) those international trade agreements agreed between the UK and a third country where the corresponding agreement between the European Union and that third country has been signed but not ratified.

The Chair: With this it will be convenient to discuss the following:

Amendment 9, in clause 2, page 2, leave out line 33.

This would remove the Henry VIII power allowing for the modification of primary legislation that is retained EU law.

Amendment 10, in clause 2, page 2, line 40, at end insert—

"(7A) An 'international agreement that mainly relates to trade, other than a free trade agreement' means a strategic partnership agreement or mutual recognition agreement that is ancillary to a free trade agreement as defined in subsection (7).".

This would define international trade agreements that do not fall within the category of a "free trade agreement" as defined under subsection (7).

Barry Gardiner: I am delighted to see you in the Chair, Ms Ryan. I look forward to the Committee proceeding at a rapid pace under your guidance. I am tabling amendments 5, 9 and 10, in my and my colleagues' names, as on the amendment paper.

We are now talking about the implementation of the new international trade agreements to be negotiated between the UK and those third countries that already have an agreement with the European Union. The Government are seeking to appropriate to themselves the power to make regulations to implement those new agreements without any scrutiny by Parliament. I cannot state it better than the House of Commons Library briefing paper, which states that the Bill

"seeks to minimise Parliament's role"

in this regard, in that it will make all secondary legislation under clause 2(1) subject to a negative resolution procedure only.

The rationale behind this attempt to sidestep due democratic process is that the trade agreements that the EU had previously negotiated with the third country in question had already undergone scrutiny when they were prepared for ratification—that is the argument the Minister used last week when we debated this. By the Government's sleight of hand, he would say there needs to be no parliamentary scrutiny of any new UK trade agreement because that job will already have been done on the earlier agreement negotiated by the EU.

The Minister was particularly keen to point out that we were suggesting that all the levels of scrutiny that took place at the EU would be done away with. I think he thought he was trapping us when he asked us to agree that a good level of scrutiny had taken place, and that we should allow these measures to go through on the nod because that scrutiny had already happened. We reject that argument, and we were pleased to register that business representatives who gave oral evidence to the Committee agreed with us. The Committee will recall that.

The new trade agreements are not only legally distinct, as the Government have admitted, but may well include substantial new obligations, which will have been through no process of scrutiny whatever. That is why we demand a new approach to these agreements in subsequent amendments to schedule 2, where scrutiny is addressed. However, the provisions of clause 2(3) and (4) go even further, in that they allow the Government to sidestep scrutiny of not only those new UK agreements that are set to replace existing ones, which have been through the full scrutiny process prior to ratification, but UK trade deals that replace EU agreements, which have not even been through the process of ratification. Our amendment speaks to that extraordinary attempt to undermine democracy still further, the significance of which might be demonstrated if I give the Committee an example.

The economic partnership agreement between the EU and Japan was finalised last month. Negotiations were concluded on 7 December last year, and the text of the agreement is currently undergoing the double process of what is called legal scrubbing and translation into the official languages of the EU, so that it can proceed to signing in 2018. The agreement will subsequently undergo the due process of ratification by Japan and within the EU, including parliamentary scrutiny by the European Parliament. However, that process will not be completed until later in 2019, if experience is any guide, and therefore after the point at which the UK is no longer a member of the EU.

Japan is also one of the countries with which the Government have established a trade and investment working group. That working group held its first meeting

in Tokyo during November of last year, and is tasked with advancing the trade and investment relationship of the two countries, with the eventual aim of signing a UK-Japan trade agreement at some point in the coming years.

According to the Bill, any future UK trade deal with Japan will be counted as a roll-over agreement, and will therefore escape parliamentary scrutiny altogether, because the EU and Japan will have signed a trade agreement during 2018—that is, before the UK leaves the EU. Note that that will be the case even if the future UK-Japan deal bears no resemblance to the EU-Japan economic partnership agreement. As stated earlier, the Bill makes no requirement for the future UK deal to match the EU's agreement in any way, shape or form; the Bill requires only that the other country and the European Union were signatories to a free trade agreement before Brexit takes effect. The regulations to implement those new obligations will be subject to a negative resolution procedure, which is the effective negation of parliamentary scrutiny, as the Government would have us consider the new UK-Japan deal simply to be a roll-over or a grandfathered agreement.

I would like to draw attention to the oral evidence provided last Tuesday by Dr Lorand Bartels of the University of Cambridge, who spoke to exactly that issue. Dr Bartels drew particular attention to the forthcoming trade agreement with Japan, and pointed out that

"there is a fundamental difference in international law between a signed and provisionally applied agreement and a ratified agreement."—[*Official Report, Trade Public Bill Committee,* 23 January 2018; c. 42.]

The Government would do well to heed that distinction. I hope that the Minister might accept our amendment and that he will see it, in a friendly spirit, as one that might improve the Bill.

Without the amendment, we are in danger of effectively granting the Government carte blanche to do what they like to secure a new UK-Japan deal. That would be a major concern to businesses and workers up and down the UK. Japan is a major player on the world stage, and Japanese companies are important investors in our economy, so the obligations that we, as a nation, undertake in relation to those companies are critical to the future of some of our most dynamic industries. Are the Government really telling us that we, as parliamentarians, should have no right to scrutinise those obligations?

Faisal Rashid (Warrington South) (Lab): Despite the fact that the Government have continued to argue that there is no need for parliamentary scrutiny in the Bill because existing deals have been subject to sufficient scrutiny in the European Union, does my hon. Friend agree that that is not the case here and therefore that it is vital in the interests of the British people that we secure such an amendment?

Barry Gardiner: I am grateful to my hon. Friend for his intervention because he reinforces the very point that I am trying to establish. Despite the processes that are currently in place for scrutiny of trade deals as they proceed through Europe, and ultimately through the European Scrutiny Committee and through the House under the Constitutional Reform and Governance Act 2010 procedure, we have here a situation in which a deal that was going to be concluded between the EU and another country can proceed to be signed, but not implemented. Then, in the lacuna—that is, the space between that signature and our leaving the EU—we could be confronted by the Government with a completely different set of trade relations. The trade agreement could be totally different, yet, under the Bill, the Government would have the power to sign and implement it simply because they had already signed a previous agreement before we had left the EU. That cannot be the right procedure for what could be completely new issues under that future agreement.

In one sense, the amendment is a modest one, given the seriousness of the issue it addresses. It merely seeks to exclude from the antidemocratic provisions of the Bill any regulations stemming from treaties such as a future UK-Japan trade agreement, where the correspondent EU agreement will have been signed but not yet ratified, along with all the scrutiny that ratification requires.

Other EU trade agreements could fall into this same category: the EU-Vietnam free trade agreement, the text of which is also being prepared for signing at some point this year; the EU-Singapore free trade agreement which has been initialled but held up by internal EU discussions as to whether it is a mixed agreement or exclusive EU competence, leading to the European Court of Justice ruling on this issue in May last year; and, potentially, some of the economic partnership agreements still to be finalised between the EU and different groupings of African, Caribbean and Pacific states, which were criticised so trenchantly by Professor Alan Winters of the UK Trade Policy Observatory in his oral evidence to the Committee last week. Also in this category is CETA, the comprehensive economic and trade agreement between the EU and Canada, which has been signed but not yet fully ratified, as it is a mixed agreement requiring ratification in each of the EU member states, in addition to the centralised EU institutions of the Council of Ministers and the European Parliament.

Finally, the amendment tightens up the language of subsections (3) and (4) by requiring not just that the EU and the other signatory or signatories should have ratified trade agreements, prior to Brexit, but that they should have done so with each other. The Bill as it stands simply says that they must have signed "a" trade agreement; it does not say that they have to have signed it with Japan—with the corresponding party. This is ridiculous. The Minister is looking confused. If he wants to intervene, I would be happy to give way to him on this point because it is material.

The Minister for Trade Policy (Greg Hands): I thank the hon. Gentleman for allowing me to intervene. I am a little confused about his position on CETA. If CETA is not yet ratified by all the EU28 countries, the amendment, if it became law, would effectively prevent the UK from transitioning CETA to be a UK-only agreement. I know that the hon. Gentleman is opposed to CETA, and he represents a minority view within his party. However, the great majority of Labour MPs welcome CETA and voted in favour of it. It is also something that has already taken effect, so the effect of his amendment would be to take us out of the provisions of CETA that have already been in place and been provisionally adopted since September.

Barry Gardiner: The Minister, of course, chose not to respond to the point I allowed him to intervene on because of his confusion.

Greg Hands: The hon. Gentleman asked me to explain my confusion.

Barry Gardiner: I am happy to address the Minister's point and have set out the Labour Front-Bench position very clearly. He should know that the provisions of the amendment do not do what he has claimed they do. What it says is that there must be proper parliamentary scrutiny. He is denying precisely the opportunity for that to happen when a treaty has been signed but not yet ratified. The point of the amendment is to ensure that proper scrutiny can take place and that ratification can have taken place to ensure that.

Faisal Rashid: On the point about CETA, does my hon. Friend share my concerns about the implications of bringing in certain provisions of the deal and not ratifying—for example, the investor-state dispute settlement provisions? The key point is that there will not be sufficient scrutiny or consultation or an impact assessment carried out.

Barry Gardiner: My hon. Friend pre-vents me—I think that is the sort of Latin term: he goes before me. He picks up a theme I was about to come to. The ISDS procedures have been a major concern of not just parliamentarians but many other people in this country and across Europe. Any hon. Member who says that his postbag and email have not reflected that has simply not been examining them carefully enough.

On my point about the requirement to sign "a" trade agreement, clause 2(3) states:

> "Regulations under subsection (1) may make provision for the purpose of implementing a free trade agreement only if—
>
> the other signatory (or each other signatory) and the European Union were signatories to an international trade agreement immediately before exit day".

It does not specify that it must be the same agreement, and stating the need for a treaty "with each other" would clarify that, which is what the amendment seeks to do. There is no great confusion, but there might be some because the clause is ambiguous.

Amendment 9 speaks to the first of two Henry VIII powers. Those powers are the most egregious example of the power grab that characterises the Bill, despite the extraordinary spectacle of the Secretary of State using the letters page of *The Guardian* to claim the opposite—a travesty I detailed on Second Reading and which, for reasons of time, I do not wish to reprise here. For the record, though, I draw attention to paragraph 2 on the very first page of the delegated powers memorandum that accompanies the Bill, which states, in plain English:

> "The Bill contains 6 individual provisions containing delegated powers. Two of these, clauses 2(1) and 7(3), include a Henry VIII power."

I am still waiting for the Secretary of State to correct the record that he so carefully muddied previously. Amendment 9 simply seeks to remove the first of those two Henry VIII powers.

Ms Ryan, I am glad that your grouping of amendment 9 with amendment 5 has enabled me to speak to it now, because it follows nicely on from my comments on the UK-Japan trade agreement. It is bad enough that talks towards a trade agreement should have been initiated behind closed doors by a secret working group—no agendas, no minutes, no access to any documentation, no website to keep Parliament or the public abreast of what was being decided in our name—but at the end of that charade, a set of formal negotiations, still in secret, determined what obligations we as a country might or might not be saddled with for a long time.

Faisal Rashid: Does my hon. Friend agree that if the Government are certain of their ability to roll over existing agreements, there is surely no need for the Henry VIII powers?

Barry Gardiner: My hon. Friend is entirely right. The Henry VIII powers show that the Government also realise that it is not simply replica provisions that are being rolled over but, in fact, new agreements that may contain substantially different clauses. Because of that, they need powers to be able to progress those agreements. The Committee tried to address that during its sitting last Thursday afternoon but the Minister has been reluctant to take the matter on board, even when pressed on how he thought, given the Government's red lines, he would be able to roll over our current agreement with Norway on the free movement of people, and that with Turkey on the relationships we have through that country's agreement with the EU customs union. The Minister has failed comprehensively to address those points. It would be interesting if he were to do so when he responds to this group of amendments, but I fear my hon. Friend might languish in hope rather than expectation of the privilege of hearing such a response.

9.45 am

The arrangements in these new agreements would be laid before Parliament for a few days without the requirement of either a debate or a vote, and at the end we would find out that the Secretary of State had appropriated the power to rewrite primary legislation by turning himself into a modern-day Henry VIII. This is not just an abstract threat. I was pleased to read the written evidence submitted to this Committee by the civil liberties organisation Liberty, which agrees with us that

> "the Trade Bill presents a significant threat to the rule of law"

and human rights. Liberty argues, as do we, that the inclusion of the Henry VIII power in clause 2 is unacceptable to anyone who believes in parliamentary sovereignty. If we go back to the beginning of the process of Brexit, some people believed it was entirely about regaining parliamentary sovereignty, not about giving increased powers to the Executive.

Liberty points out that the Bill's reference to primary legislation that is retained EU law could include such vital Acts of Parliament as the Equality Act 2010 and the Modern Slavery Act 2015, as well as legislation to combat climate change, such as the Energy Act 2013. Crucially, it could also include the Data Protection Bill currently under consideration by Parliament, which implements the EU's general data protection regulation. We have been told on numerous occasions by businesses and their representatives from the service sector just how important it is for their post-Brexit cross-border exports to be granted what is called adequacy status under the general data protection regulation. Any change

to such a crucial piece of legislation must surely be brought through Parliament and not done under the fiat of the Secretary of State.

The Government know they have exceeded the limits of what is acceptable in calling for a Henry VIII power under clause 2 and then suggesting that it is somehow appropriate for that power to come under the negative resolution procedure, the lowest form of parliamentary scrutiny. The delegated powers memorandum admits that it is a bridge too far, even for a Government such as this, stating:

"It is recognised that Parliament will want considerable assurances from the Government that this power will not be used beyond what is necessary to ensure a seamless transition of the agreements in scope."

We have no interest whatever in "assurances from the Government". We want the Government to show due recognition of the proper boundaries to their powers in a mature democracy such as the UK. We are not a tinpot dictatorship, and we resent the suggestion that assurances can ever represent a sufficient substitute for parliamentary democracy. That is why our amendment would remove this Henry VIII power entirely and require any modifications to primary legislation to be undertaken in the correct manner, with full parliamentary involvement.

Finally, I turn to amendment 10, where we seek to rectify the Bill's failure to define what is meant by the vague category of international trade agreements that mainly relate to trade but are not free trade agreements. The explanatory notes suggest that this will include

"key trade agreements, and associated ancillary agreements, that the EU currently has with third countries."

The note gives one example only, namely mutual recognition agreements. Dr Lorand Bartels, in his oral evidence, said that it might also include customs co-operation agreements that relate to trade facilitation. Ultimately, national legislation is not doing its job properly if it leaves everyone playing a guessing game regarding what it might or might not refer to, and especially not if it seeks to transfer unprecedented powers to the Executive.

We have tried to help the Government out here—I am being very helpful to the Minister this morning, if only he would realise it. Our amendment takes up the challenge from the explanatory notes and identifies the two main categories of agreement that have traditionally accompanied the EU's free trade agreements as ancillary texts in recent years—either, in the case of mutual recognition agreements, because they help to minimise unnecessary non-tariff barriers in the regulatory sphere, or, in the case of strategic partnership agreements, because they establish social and political conditionalities to accompany the commercial aspects of the trade agreements themselves. At the end of the day, we need the Government to say what they have in mind for that category. Of course, it may be that Ministers have nothing in mind, and it would be good to know that, too. The public and the country need certainty, and the Bill does not provide it in those areas.

Greg Hands: It is a pleasure to serve under your chairmanship, Ms Ryan. Let me reassure you that, by exit day, the Government aim to have ratified all EU mixed free trade agreements that are currently provisionally applied. They include, for example, the EU-Canada CETA agreement and the Southern African Development Community co-operation in accreditation.

Barry Gardiner: If it is the Minister's intention, as he says, to do what the amendment asks him to do, namely to apply these clauses only to agreements that have been ratified—and he says that they will all have been ratified—what problem does he have with accepting the amendment?

Greg Hands: The answer to that is straightforward. Although it is our intention to have ratified the agreements, that does not necessarily mean that they will have been ratified by the other EU27 countries. That is the important thing. I will come on to why the hon. Gentleman's amendment would put at risk agreements that the UK is already party to and that UK businesses are already benefiting from.

We must remember that EU free trade agreements that contain areas of shared or member state competence must be ratified by all 28 member states before they come into force. As we know, that process can take considerable time. We drafted the clause 2 power so that signed EU free trade agreements fall within its scope. That will ensure that it can be used to implement agreements to replace those that have been signed, and which may have been provisionally applied but are yet to be ratified by the EU or the partner country.

Many such agreements are benefiting businesses and consumers as we speak. In other words, they have already taken effect. I know that the hon. Gentleman is opposed to CETA, for example, but we believe that it has benefited UK businesses considerably since it was provisionally applied and took effect in September. I know that he wants to throw away those benefits, so I remind him that most of his party sensibly sees the merits that CETA provides this country. Under his amendment, we would be unable to implement a free trade agreement that falls within this category, which would risk a cliff edge in any trading relationships covered by such an agreement.

To take another example, the UK ratified the EU's Andean FTA with Colombia and Peru in 2014. In 2016, UK trade with those countries had a value of more than £2 billion. However, that FTA is still awaiting ratification by both the European Union and a number of EU countries. If that is still the case by exit day, the amendment would prevent the clause 2 power from being used to implement a transitioned FTA with Colombia and Peru, resulting in a likely reduction in trade flows between the UK and the Andean countries.

Let me turn to a few points that the hon. Gentleman raised elsewhere. He asserted that the agreement has to be signed by both parties. Clause 2(3), which relates to free trade agreements, states that in order for the Government to be able to use the power when implementing an agreement with a partner country, both the EU and that country must have signed a free trade agreement before exit day. In other words, both must have signed the same agreement.

Barry Gardiner: It does not say "the same".

Greg Hands: I think the hon. Gentleman said it was ambiguous, but the Government's intention is clear. We have all laid it out frequently: to transition the effects of the 40-plus EU FTAs, not to renegotiate new agreements. He mentioned the cases of Norway and Turkey. As I laid out at considerable length at the Select Committee

[Greg Hands]

on International Trade last week—I know two of his colleagues are members of the Committee—the situation will depend largely on the UK's future relationship with the European Union, which is a matter for the current negotiations, as Norway, Turkey and Switzerland's relationships are very much linked to whatever our future relationship with the EU might be.

Barry Gardiner: Of course, the Minister is entirely right to say that the nature of the agreements that we conclude with those countries would depend on our future relationship as we negotiate our withdrawal from the EU, but the point is that this Bill is supposed to be simply rolling over the existing agreements. The Minister has made a great deal of the fact that we want no change and are simply rolling over what exists into what comes afterwards. That is the trap that he has set for himself, and he must extricate himself.

Greg Hands: I will just repeat what the Secretary of State said on Second Reading: the Bill is designed to be robust to the different cases of where the future UK-EU relationship might lead us following the negotiations.

The hon. Gentleman mentioned Japan. In the small number of cases where the EU seeks to establish an FTA, it might be too late to go through conventional EU scrutiny here, and there are also our agreements that will now be sole EU competence. Also, they might not necessarily happen through the current EU scrutiny process. We will consider this in due course, but we are committed to Parliament having its say. Earlier this month we published a response to the trade White Paper, and the Government will consider views as we develop proposals regarding the role of Parliament in future trade agreements.

If we are to avoid trade disruption, we need to make sure that signed EU agreements that are not yet ratified by the EU, including the examples I have given, such as CETA, the Andean agreement and the partner country agreements, fall within the scope of the Bill, otherwise we will jeopardise a considerable part of the current trading relations that benefit this country so much. Contrary to what the hon. Gentleman says, the amendment would not improve the Bill. It would actually threaten a great number of our existing trading arrangements.

It is worth remembering that a delay in ratification by another EU member state has no real relevance to the content of an agreement, or indeed to UK scrutiny of it. It is merely a reflection of that country's domestic situation. To allow such a state of affairs as that suggested in the amendment, and to cause disruption to UK businesses, would be profoundly unsatisfactory.

Matt Western (Warwick and Leamington) (Lab): Does the Minister agree that, as Alan Winters said in the evidence session when talking about business and concerns about continuity, the issue is not only transparency and scrutiny, but a recognition—we are calling for this in the amendment—that some changes required in any trade agreement will be technical or substantive? There is a need to understand the degree of what is substantive, and that is not determined anywhere. That is what we and the witnesses—business or academic—are calling for. There is nothing in the Bill that ensures the scrutiny of what is substantive and what changes should be allowed.

Greg Hands: I would say two things to the hon. Gentleman. By the way, I cannot remember whether he was in favour of CETA or against it, or what his individual position was within the Labour party on some of these agreements.

Matt Western: I wasn't present.

Greg Hands: Of course—the hon. Gentleman was not yet elected at that time.

The Government's intention is clear. This is a technical roll-over: there will not be substantive changes to the agreement. However, that is not what this amendment deals with. The amendment talks about making sure that all deals that have yet to be ratified are outside the scope of the Bill. Our position is clear: agreements that have been signed but not yet ratified should be within the scope of the Bill.

10 am

On amendment 9, the clause 2 power is a restricted so-called Henry VIII power. It allows only for the amendment of primary legislation that is retained EU law. As I think we all now know, retained EU law is EU law that the European Union (Withdrawal) Bill converts into UK law, as well as the EU-derived domestic law that the Bill preserves. It is a very restricted power.

Because transition trade agreements will have been implemented substantially through EU law, we may need to amend retained EU law if we are to implement any technical changes but keep these agreements operable beyond exit day, which clearly must be a goal for all us. That is why it has been necessary to ensure that the clause 2 power can amend a specific part of primary legislation. Removing this aspect of the power would jeopardise its ability to ensure continuity and future operability in our existing trade agreements.

We should also note that, as little primary legislation is retained EU law, this is a highly restricted so-called Henry VIII power. Let me be clear that this power cannot be used to amend the vast body of primary legislation that is not retained EU law—that is in line with our intention to use the power only to maintain the effects of our existing trade agreements.

We have also constrained the power in other ways, by including a sunset clause that I know we will debate in later amendments, and by preventing it from being used to implement a free trade agreement with a country that has no such agreement with the EU before exit day.

Amendment 10 would narrow the definition of a trade agreement to the extent that certain agreements that would be widely accepted as instrumental aspects of trade relationships, such as bilateral procurement agreements, would be ruled out of scope.

Faisal Rashid: The Minister mentioned a few times proper parliamentary scrutiny of future trade agreements but, clearly, the provision confirming that there will be parliamentary scrutiny in future should not be in the Bill.

Greg Hands: I am absolutely clear that this Bill relates to the transition of our existing trade agreements. How we approach future trade agreements will be a matter for future consideration. I mentioned earlier that we will look carefully at the responses to the consultation. Of course, if the hon. Gentleman has views, we are keen to hear them. Indeed, we will be seeking views from across this House on what Parliament's views on these matters might be, but that is entirely a matter for the future.

Amendment 10 would clearly create an unacceptable risk that agreements essential to trade could not be effectively provisioned. If the members of the Committee are concerned about the scope of this power, please let me reassure them that, as I referred to earlier, we have already set out in clause 2 restrictions on the scope of the power.

Given these constraints, the existing drafting of the power, and our clear and firm assurances that this power is not intended to be used for the implementation of future trade agreements, it would be strange to include this amendment, which sets out the required procedure for future trade agreements. I therefore ask the hon. Gentleman to withdraw amendment 5.

Barry Gardiner: I am not prepared to withdraw and I propose that we move to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 10.

Division No. 2]

AYES

Bardell, Hannah	McMorrin, Anna
Brown, Alan	Rashid, Faisal
Cummins, Judith	Smith, Nick
Esterson, Bill	Western, Matt
Gardiner, Barry	

NOES

Badenoch, Mrs Kemi	Pursglove, Tom
Hands, rh Greg	Stewart, Iain
Hughes, Eddie	Vickers, Martin
Keegan, Gillian	Whittaker, Craig
Prisk, Mr Mark	Wood, Mike

Question accordingly negatived.

Judith Cummins (Bradford South) (Lab): I beg to move amendment 6, in clause 2, page 2, line 29, at end insert—

"(4A) Regulations under subsection (1) may make provision for the purpose of implementing an international trade agreement only if the provisions of that international trade agreement do not conflict with, and are consistent with—

(a) the provisions of international treaties ratified by the United Kingdom;

(b) the provisions of the Sustainable Development Goals adopted by the United Nations General Assembly on 25 September 2015;

(c) the primacy of human rights law;

(d) international human rights law and international humanitarian law;

(e) the United Kingdom's obligations on workers' rights and labour standards as established by but not limited to –

(i) the commitments under the International Labour Organisation's Declaration on Fundamental Rights at Work and its Follow-up Conventions; and

(ii) the fundamental principles and rights at work inherent in membership of the International Labour Organisation;

(a) women's rights and are in accordance with the United Kingdom's obligations established by but not limited to the Convention on the Elimination of All Forms of Discrimination Against Women;

(b) children's rights and are in accordance with the United Kingdom's obligations established by but not limited to the Convention on the Rights of the Child;

(c) the United Kingdom's environmental obligations in international law and as established by but not limited to—

(i) the Paris Agreement adopted under the United Nations Framework Convention on Climate Change;

(ii) the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and

(iii) the Convention on Biological Diversity, including the Cartagena Protocol on Biosafety; and

(d) the sovereignty of Parliament, the legal authority of UK courts, the rule of law and the principle of equality before the law."

This would ensure that international trade agreements do not conflict with the provisions of international laws or conventions on human rights and the environment, or with the rule of law.

The amendment is designed to apply to regulations implementing all UK trade agreements, of whatever sort. It is a high-level amendment that sets out our trade policy in the proper context of respect for human rights, environmental sustainability and the rule of law. I hope therefore that the Government will have no difficulty in accepting it as a friendly amendment.

The casual observer might think it bizarre that a trade agreement could endanger human rights. Luckily, help is at hand. For those members of the Committee who have not read it, I heartily recommend the comprehensive report of the United Nations independent expert Alfred de Zayas for the UN Human Rights Council, dated 12 July 2016, in which he enumerates the many ways in which trade agreements may indeed infringe on human rights and sadly have done so in the past.

I will not take the Committee through the whole report, but suffice to say that de Zayas examines the threat posed to human rights by international trade and investment across not only civil and political rights, but economic, social and cultural rights such as the rights to work, health, education and one's own culture. In all cases, de Zayas offers examples of where international trade and investment activities can threaten the enjoyment of human rights. He warns against creating any new agreement that might exacerbate the harm that has already been done as a result of failure to pay proper heed to the nexus between trade and investment, and human rights.

I will draw out one recommendation in the UN independent expert's report, because it is so utterly pertinent to our discussion of the Bill. His first and foremost recommendation to Parliaments around the world states:

[Judith Cummins]

> "No parliament should approve trade agreements without exercising oversight functions and examining the compatibility of the agreements with human rights treaty obligations in the light of impact assessments."

That sentence might usefully be read out, I suggest, at the beginning of every sitting of the Committee and at any subsequent debate on trade policy held by this House.

The amendment seeks to ensure that future UK trade agreements will never be able to undermine human rights in the ways that Alfred de Zayas describes so powerfully for the UN Human Rights Council. In particular, proposed new sub-paragraph (c) aims to establish a proper hierarchy in cases of conflict between human rights law and the treaty obligations of international trade agreements, so that human rights law will always take priority. That is in line with the Vienna declaration and the programme of action adopted by the world conference on human rights on 25 June 1993.

Sub-paragraph (c) also speaks to the basic legal principle of pacta sunt servanda, namely in this case that states are obliged to fulfil their human rights treaty obligations in good faith and should never enter into any trade or other commercial agreements that would undermine or in any other way render impossible the fulfilment of their human rights treaty obligations.

Our amendment goes further, however, in light of the fact that we have higher-order principles that are not related to human rights alone. We also require the UK's international trade agreements to be consistent with international humanitarian law, which is the body of law governing the conduct of war, so that there can be no question of the UK entering into any agreement with a trading partner that might undermine such a critical pillar of the international order.

One obvious example of what happens when that principle is ignored can be found in the ongoing difficulty caused at European level by Morocco's attempt to include the fishing rights of the Sahrawi people in its trade agreement with the EU. The trading relationship between the two partners has been critically undermined as a result of the European Court of Justice 2016 ruling that Morocco has no right to negotiate a fishing agreement with the EU covering the waters of the occupied Western Sahara, a territory that the UN has confirmed must be granted the right to self-determination, but where the Sahrawi population has lived under Moroccan military occupation for more than four decades.

Just this month, the ECJ advocate-general publicly stated that the EU fisheries deal with Morocco should be declared invalid because of its failure to accord with international humanitarian law. I am sure that, like us, the Government would not wish any future UK trade agreement to fall into a similar trap.

Faisal Rashid: Trade deals often impact a wide range of public policy areas. For example, a deal done with a foreign state can impact on the provision of services such as transport. The powers outlined in the Bill could potentially remove a duty on service providers to make reasonable adjustments for people with disabilities. According to Liberty, that would make access to transport more difficult for one in five of the UK population. Does my hon. Friend agree that, as we build the foundations for our future trade policy—I understand that the Minister argues with that—it is vital that the legislation contains provisions that protect such human rights, which are incredibly important for a huge number of people?

Judith Cummins: It is incredibly important to include an ethical dimension to any human rights legislation in the Bill. We also require all future UK trade agreements to be consistent with the sustainable development goals adopted by the UN General Assembly in September 2015.

The importance of those goals needs no further elaboration but may be a useful point on how the world's poorest countries have been marginalised from the gains of global trade over the past 40 years. Although emerging economies such as China have clearly been able to use the export opportunities of a globalised economy to develop into leading actors in many fields of trade and investment, the countries that are home to the bottom billion, as the poorest have been called, have been left behind.

That is precisely what the World Bank's former research director, Paul Collier, warned of in his best-selling book "The Bottom Billion", where he concluded that reliance on trade is more likely to lock yet more of the bottom billion countries into the natural resource trap than to save them through export diversification.

Mr Mark Prisk (Hertford and Stortford) (Con): I do not agree with the hon. Lady's last argument. Millions of people have been lifted out of abject poverty because of trade. I would like to make clear that this is a friendly amendment, as the hon. Lady described it, for future trading agreements, rather than the agreements that the Minister has referred to.

Judith Cummins: It is important that we establish the principles of human rights within our trade agreements.

Mr Prisk: I entirely agree with the principle that human rights are important. I just want to be clear whether we are talking about existing agreements being transitioned, as dealt with by the Bill to which the hon. Lady has tabled her amendment, or, as her remarks indicate, about future agreements some way in the distance.

Judith Cummins: I am talking about both because human rights are the basis of principle, not a point, so my proposal covers both.

To prove the point, the world's least developed countries saw their share of global merchandise fall still further, to under 1%, in 2015. Africa has seen its share of global trade cut by a half over the past 30 years. It is our task to ensure that the poorest countries can benefit from trade and investment. To that end, the sustainable development goals included three specific targets on trade, set out for all countries to follow, which include promoting a universal, rules-based, open, non-discriminatory and equitable, multilateral trading system under the World Trade Organisation.

10.15 am

Anna McMorrin (Cardiff North) (Lab): In his speech to the World Trade Organisation in Buenos Aires, the Secretary of State reaffirmed his commitment to trade as a main tool for development, which is fantastic. The Government should therefore be keen to support the

amendment, which reaffirms the UK's commitment to the provisions of the SDGs, human rights, workers' rights and environmental protections, which are key elements of development, growth and stability, as the Secretary of State said.

Judith Cummins: I absolutely agree. The sustainable development goals include the capacity to increase significantly the exports of developing countries, with a view to doubling the least developed countries' share of global exports by 2020. The SDGs can also allow for timely and lasting duty-free and quota-free market access for the least developed countries, consistent with WTO decisions, including by ensuring that preferential rules of origin applicable to imports from the least developed countries are transparent, simple and contribute to facilitating market access.

The Labour party made a manifesto commitment to guaranteeing the world's least developed countries continued duty-free and quota-free access to the UK market, post-Brexit. I am pleased that the Government agreed to match that pledge, but we need to go considerably further if we are to ensure that our trade policies really contribute to the realisation of the sustainable development goals. That is why this is such an important part of the amendment, and one that I am sure the Government will support.

One of the most powerful ways to ensure that international trade leads to poverty reduction and enhanced life chances is to ensure that working people benefit fully from the opportunities it offers. To that end, we wish to ensure that all new trade agreements are fully consistent with the UK obligations on workers' rights and labour standards, starting with the International Labour Organisation's declaration of fundamental rights at work, and its eight core conventions covering freedom of association, forced labour, child labour and discrimination. However, simply linking to those conventions is far from sufficient, as has been seen in so many cases where trade agreements have led to an undermining of other labour rights. We require a deeper commitment to principles and rights at work that are inherent in the UK's membership of the ILO, to ensure that there can be no race to the bottom in labour standards as a result of the UK's new international trade agreements.

Again, I have no doubt that the Government will share our desire to keep labour standards high. The Secretary of State for International Trade, who has not always been known as a champion of workers' rights, made the case in a debate on exiting the European Union and global trade in the House on 6 July last year. I should be pleased to quote him at length, which is not something that I find myself doing too often:

> "There are those who would make the case for a Britain with lower regulatory standards and fewer protections in place across the economy for the environment, for workers and for consumers. Let me tell the House that Britain will not put itself at the low-cost, low-quality end of the spectrum, as it would make no sense for this country economically to do so, nor morally would it give us the leadership we seek. I believe there is no place for bargain-basement Britain."—[*Official Report*, 6 July 2017; Vol. 626, c. 1365.]

Encouraged by the Secretary of State's new-found identity as a defender of high standards and workers' rights, the Government will, I am sure, have no trouble in supporting this part of the amendment.

Equally, all new trade agreements must be consistent with women's rights, not least because it has often been women workers who have suffered most in the international trading system.

Integration into global supply chains promised much to women workers in countries where they had not previously enjoyed other economic opportunities. In Bangladesh, for instance, formal employment in the export-oriented garment industry has provided millions of women workers with a regular source of independent income, which has in turn allowed them to enhance their social status and political participation. When done properly, trade can be a source of empowerment, yet many of those working women have found themselves trapped in dead-end jobs characterised by poverty wages and dangerous working conditions. That is a particular threat to workers at the bottom of global value chains producing goods for distant retailers that have ultimate power and control over the conditions under which their suppliers operate. The ILO has noted that all too often trade via global supply chains

> "tends to generate economic benefits… (in terms of high productivity), but not necessarily for workers".

For far too many women in the global economy, the promise of empowerment is eclipsed by the grim realities of exploitation. Trade agreements must be consistent with children's rights, with the UK's environmental obligations, and with the provisions of other international treaties ratified by the United Kingdom. Surely the Government will agree with us on these points. They must respect CITES—the convention on international trade in endangered species of wild fauna and flora—as well as the convention on biological diversity. None of these are idle concerns. The European Commission's official impact assessment for the Transatlantic Trade and Investment Partnership recognises that under every potential outcome, the proposed EU-US agreement would create what it called dangers for natural resources and for the preservation of biodiversity.

Iain Stewart (Milton Keynes South) (Con): The hon. Lady refers to TTIP and new trade deals; I am sorry for pressing this point, but they are not the point of this Bill. I agree with her on all the standards that she wishes to see in place, and I do not want Britain to race to the bottom, but that is not the point of the Bill; it is for future Bills. Please could we stick to the roll-over agreements that we are talking about in this Bill?

The Chair: Order. I remind the hon. Gentleman that it is for me to guide hon. Members on whether they are in scope.

Judith Cummins: I remind the hon. Member for Milton Keynes South that the opening line of the Bill says that its aim is to

> "Make provision about the implementation of international trade agreements"

per se. It is about principle, and about the fact that the Bill is a legal entity in itself.

Iain Stewart: It is not.

Judith Cummins: It is the Trade Bill. These principles, including on human rights, should be held dear; if they are not held dear by Government Members, they are at least by Opposition Members. Environmental degradation

[Judith Cummins]

has just been dismissed as collateral damage when it comes to international trade agreements. That is no basis on which to construct a new trade policy for a United Kingdom.

Hannah Bardell (Livingston) (SNP): The hon. Lady makes an excellent speech. Does she agree that we all have deep concerns about fair trade? There is already a creep in supermarkets looking at fairly traded products, rather than Fairtrade products, and we will see significantly more of that if the Bill passes without amendment. Given that many of our constituencies are Fairtrade towns, that should be of significant concern to all of us.

Judith Cummins: I thank the hon. Lady for that intervention. Fair trade should absolutely be a key element of any Bill that deals with trade.

Barry Gardiner: My hon. Friend quite properly reminds the Committee that the amendment is in scope—otherwise it would not have been selected; the Chair would have ruled it out of scope—because of the words at the front of the Bill. The amendment would of course have an impact on the roll-over agreements, as the Government call them, which are legally distinct, new agreements. If these provisions were put into law, they would apply to all new agreements that we completed in the future. I do not doubt that many Government Members would be happy to see included these provisions about human rights, equality and the rights of children—things that David Cameron, when he was Prime Minister, was keen to negotiate as one of the leaders on the SDGs. Would Government Members accept that the amendment is not only in scope, but could have a positive effect on future conclusions of trade agreements?

Judith Cummins: I thank my hon. Friend for his intervention.

Matt Western: I thank my hon. Friend for being so generous. To amplify that point, I think it was Nick Dearden who, during the oral evidence sessions, spoke about modern trade deals and the huge opportunity presented to us. It is almost a no-brainer to include the things listed in the amendment. There is almost an assumption that they should be included, and that is why we are putting forward the amendment. These are modern trade deals. We have an opportunity to update the arrangements. This is a simple amendment.

The Chair: For clarity, when we vote, we will vote on the amendment as on the amendment paper. It is perfectly in order for the hon. Member for Bradford South to discuss the principles that she wishes to see applied in the Bill.

Judith Cummins: Finally, our amendment demands that the UK's international trade agreements be fully consistent with the legal authority of UK courts, the rule of law and the principle of equality before the law. It does not take Sherlock Holmes to deduce that the amendment is designed to prevent the undermining of our legal system by the introduction of investor-state dispute settlement mechanisms in any future UK trade agreement.

ISDS represents an extraordinary transfer of power to foreign investors who gain exclusive rights, unavailable to any domestic investor, to sue host Governments in their own private judicial system. The investment protections they are granted go far beyond what they could be entitled to expect in any of their domestic courts. That has in turn spawned a massive industry of trade lawyers and hedge funds keen to speculate on the massive gains to be made from suing a country over any new rule or regulation that might be construed as being unfair to multinational companies operating there.

There have been more than 800 ISDS cases brought by foreign investors against their host countries. Some Governments have been forced to back down from introducing perfectly reasonable social or environmental measures. In the first ISDS case brought against Germany under the energy charter treaty, the Swedish power company Vattenfall sued in relation to its new coal-fired power plant outside Hamburg. The authorities were forced to drop the environmental conditions designed to protect the water quality of the River Elbe. In the infamous case brought against Canada under the ISDS provisions of the North American Free Trade Agreement, the US company Ethyl successfully sued the Canadian Government over their ban on the use of the fuel additive MMT. The ban had been introduced on public health grounds to guard against the inhalation of particles of manganese, which is known to be a neurotoxin. When the ISDS tribunal ruled against Canada's procedural defence, it settled the claim by paying $13 million to Ethyl, rescinding the ban and issuing a public apology.

The prospect of being on the receiving end of such an attack generates its own regulatory chill, dissuading countries from upgrading their regulatory regime for fear of being sued for hundreds of millions of pounds in front of wholly unpredictable tribunals where the adjudicators often turn out to be working out as counsel for their corporate clients at the same time. The inclusion of ISDS or its equivalents in the most controversial bilateral trade agreements of recent years has been one of the key factors behind the loss of legitimacy and public support for international trade in general. We would do well to address that fact at this juncture.

The EU Trade Commissioner Cecilia Malmström was not exaggerating when she complained that ISDS had become the most toxic acronym in Europe. It turned her TTIP dreams into a nightmare, and it will do the same for any future UK trade agreements that seek to include it. There is absolutely no justification for the introduction of ISDS in any trade or investment agreement negotiated for the UK, and there is no need for it either. The UK holds more foreign investment stock than any other EU member state and boasts a higher score than any other European country on the index measuring the quality of judicial processes. Foreign investors can have full confidence in the UK judicial system and can rely on our domestic courts for any redress they seek as a result of unfair treatment, just as we do.

The previous coalition Government commissioned an official cost-benefit analysis of the prospect of extending ISDS rights to North American investors at the outset of the TTIP negotiations in 2013. The report they received is still well worth reading. It found that there would be no benefits to the UK economy from introducing ISDS, only costs. With that rebuke ringing in our ears, I trust that the Government will vote in favour of the amendment, as they should.

10.30 am

Mr Prisk: I strongly support the hon. Lady's point about the value of human rights and the importance of workers' rights and environmental standards, not only as we trade abroad but in how we deal with our domestic politics. That is very important. I am sorry that, at the tail end of her point, she started to suggest that one side of the House somehow does not agree with that. In fairness, there is a range of views across the spectrum, but the principles about human rights and workers' rights and so on are there.

I cannot support the hon. Lady's amendment, not because of the values that she talked about at some length but because, in her own words, the amendment seeks to change any future trading agreement. On a point of principle, I do not think that is something the Committee has the power, or is in the position, to do. On that principle, I will vote against the amendment, and I hope other Members do the same.

Greg Hands: I thank the hon. Member for Bradford South for her interesting and wide-ranging speech. I wholly agree with her strong comments on human rights and the UK being a leader in that space and the wide range of fields referred to in the amendment. In fact, I think all Conservative Members wholly endorse that.

However, I assure the hon. Lady that the amendment is unnecessary. The UK has always sought to comply with international law, and we will continue to uphold our strong commitments to human rights and labour and environmental standards around the world, as well as to the sustainable development goals, gender rights, disability rights, endangered species, fighting climate change and so on. The process of exiting the EU will not alter that position, and we will still be bound by our commitments under international law. Both the Secretary of State and I stated in the Chamber on Second Reading that our aim in undertaking the transition programme is to seek continuity in the effects of existing trade agreements. This is not an opportunity to renegotiate the terms of those agreements, which have already been scrutinised by Parliament.

The hon. Lady referenced least developed countries. I remind her that, despite her warm words, she voted against the Taxation (Cross-border Trade) Bill on Second Reading, which is currently being considered in another Committee and which enshrines a system of trade preferences for developing countries as we leave the EU, to make sure that those powers are in place for the UK to offer unilateral trade preferences. Unfortunately, if her vote on that Bill had been the majority view in the House earlier this month, the UK would not have a system of trade preferences for developing-world countries as we exit the EU.

The amendment is unnecessary, particularly in relation to our compliance with international law.

Faisal Rashid: The Government recently published a 25-year plan for the environment, committing the UK to:

"Leave a lighter footprint on the global environment by enhancing sustainability and supporting zero deforestation supply chains."

Does the Minister agree that it is vital that the Bill is amended to ensure that the Government can meet that commitment, and to ensure that trade policy does not result in a reduction in environmental standards and protections or in an unacceptable, unsustainable global footprint?

Greg Hands: Let me be absolutely clear: there is no intention to reduce environmental standards. In fact, the point of the 25-year environment plan was to enshrine this country's commitment to the environment over a very long period of time. I heartily commend that plan, but it is not part of today's Bill. I am happy to underline that we will, of course, remain compliant with international law. On the basis of that assurance, the broader applicability of international law, and the UK's commitments in all such areas, I ask the hon. Member to withdraw the amendment.

Matt Western: Will the Minister give way?

Greg Hands: I will, of course, take an intervention from the hon. Member for Warwick.

Matt Western: My constituency is Warwick and Leamington. They get funny about that in my area.

Based on my humble experience, I do not think we have the same kind of reputation for environmental safeguards as certain other countries—our history is weak in that area. One of the reasons for tabling the amendment was to ensure that those sorts of standards are included, and that we are putting that forward for our own protection, as well as the offensive interests of other Governments. The Minister may have a different view from mine. I understand that he has lobbied in Brazil on behalf of certain oil giants such as BP and Shell, so he will take a different stance. I believe that it is an important issue, which is why we tabled this important amendment.

Greg Hands: I thank the hon. Gentleman for that late but wide-ranging intervention. Let me try to deal with each of his points. On Brazil, it is quite clearly on the record that the discussions were to ensure a level playing field for UK companies, not to change Brazilian domestic requirements in a way that would harm the environment in Brazil.

Secondly, we have an exemplary record on the environment over the last seven years. The UK was a leader in the Paris agreement and the negotiations behind it, as the shadow Secretary of State will know only too well—he takes a keen interest in that and is even the party's spokesperson. When it comes to recent regulations such as the banning of microbeads and efforts to prevent plastics from entering the environment, the Government have an exemplary record. On that basis, I ask the hon. Member for Bradford South to withdraw her amendment.

Judith Cummins: We will push the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 9, Noes 10.

Division No. 3]

AYES

Bardell, Hannah	McMorrin, Anna
Brown, Alan	Rashid, Faisal
Cummins, Judith	Smith, Nick
Esterson, Bill	Western, Matt
Gardiner, Barry	

NOES

Badenoch, Mrs Kemi	Pursglove, Tom
Hands, rh Greg	Stewart, Iain
Hughes, Eddie	Vickers, Martin
Keegan, Gillian	Whittaker, Craig
Prisk, Mr Mark	Wood, Mike

Question accordingly negatived.

Bill Esterson (Sefton Central) (Lab): I beg to move amendment 7, in clause 2, page 2, line 29, at end insert—

"(4A) Regulations under subsection (1) may make provision for the purpose of implementing an international trade agreement only if the provisions of that international trade agreement do not in any way restrict the ability—

(a) to make public services at a national or local level subject to public monopoly;

(b) to make public services at a national or local level subject to exclusive rights granted to private operators; and

(c) to bring public services at a national or local level back into the public sector for delivery by public sector employees."

This would ensure that international trade agreements cannot restrict future decisions in respect of the delivery of public services.

It is a pleasure to serve under your chairmanship, Ms Ryan. Amendment 7 seeks once and for all to exclude public services from the remit of any future UK trade agreements. That nut has proved extremely difficult to crack in all of the multilateral and bilateral international trade negotiations that the UK has been involved with to date. Given the object lesson we have just been taught by the collapse of Carillion and the deep uncertainty it has caused in relation to the outsourcing of public services, we are more determined than ever to get it right for the future.

Service trade negotiations were introduced to the multilateral trading system through the general agreement on trade in services. GATS was part of the package of multilateral agreements negotiated in the Uruguay round of global trade talks, which took place between 1986 and 1994 and led to the creation of the World Trade Organisation. Each country submitted a schedule of GATS commitments detailing the level of liberalisation it would offer to other WTO members on a sector-by-sector basis and across the four different modes of service delivery—namely, cross-border supply, consumption abroad, commercial presence and movement of natural persons. That was done by what is known as positive listing, which means that only sectors put forward for liberalisation would be subject to the GATS market access and national treatment provisions. EU member states were able to register their own national limitations to the levels of liberalisation listed for each sector, either by withholding sectors from liberalisation entirely or by attaching national conditions to the opening of their markets. That means that, across the 160 service sectors, the EU's schedule of commitments runs to more than 540 pages in length.

Services have become an important element in the bilateral trade negations that have proliferated since the demise of the WTO's Doha round. Contrary to what is often heard in the media, the comprehensive economic and trade agreement between the EU and Canada—CETA—included the most far-reaching commitments to services trade liberalisation ever made by the EU. They were made by a negative listing, which means that only sectors specifically listed for protection from liberalisation would be excluded from the deal's market access and national treatment provisions. That is commonly known as the "list it or lose it" approach, and it makes for a much more extensive liberalisation outcome than the positive list approach that has been used in multilateral services negotiations.

In all of those negotiations, there has been considerable concern about the potential for public services to fall foul of WTO rules on monopolies, competition and market opening. To that end, the original GATS text included an exemption for services

"supplied in the exercise of government authority".

That exemption has been carried over into most other bilateral agreements. We sometimes hear people who are new to this issue claiming that this provides a carve-out for public services. However, the exemption for services supplied in the exercise of governmental authority is closely defined to mean only services that are supplied on a non-commercial basis and without any competition from the private sector. There is consensus among all trade policy experts that it is a carve-out not for public services, but only for specific state functions, such as the judiciary, the army or the police.

The detailed paper on the subject published by Professor Markus Krajewski notes that academics and trade policy practitioners alike now accept that most public services, including social, health and educational services, as well as network-based and universal services, are not covered by the exemption clause. The EU agrees. The European Commission has confirmed that public services such as the NHS are not protected by the governmental authority exemption. The relevant passage from the Commission's proposal to modernise the EU's treatment of public services in future EU trade agreements states:

"The scope of the GATS includes services which may be considered by each Member to be 'public services'. A wide variety of so-called public services, including certain activities relating to education, healthcare, postal, telecommunications, waste collection, water provision, electricity, transport, etc as they exist today in many countries, including in most EU Member States will have certain commercial aspects and may be provided to some extent by private operators on a competitive basis. Where this is the case, they would normally fall within the scope of the GATS as representing 'tradable' services."

10.45 am

Recognising that GATS included public services, the EU set about registering a horizontal limitation in its schedule of commitments—the so-called public utilities exemption. This was intended to allow EU member states to maintain public monopolies for some public services and to have the flexibility to outsource others to the private sector—something that today seems a great deal less attractive than it once did, following the collapse of Carillion. Most importantly, the EU's public utilities exemption was designed to allow member states to bring back failed outsourcings into the public service without any fear of breaking WTO rules on restricting markets that had already been committed to liberalisation.

However, the EU's legal team soon came to realise that the public utilities exemption was itself defective. Two papers that it published in 2011 confirmed that public services were still potentially exposed to the

trade liberalisation regime, as incorporated in both multilateral and bilateral agreements. The same concern applied to the major bilateral trade deals under negotiation with the US and Canada—TTIP and CETA—as well as the negotiations that are continuing outside the WTO framework towards a plurilateral trade and services agreement, known as TISA, in which we understand the UK is currently engaged only by virtue of its membership of the EU. The Minister might want to confirm whether the UK is engaged in those negotiations when he responds. In all these cases, the inclusion of public services is a major cause of concern, not least among trade unions, which have come out against all such deals unless there can be an unequivocal guarantee that public services will not be included.

Faisal Rashid: Does my hon. Friend agree that modern-day international trade agreements extend into a wide range of public policy making and it is therefore essential that our Government maintain the capacity to deliver public services?

Bill Esterson: That is absolutely right. It is at the heart of amendment 7 that our Government and this country retain the right to decide who runs vital national services. Our concern from the body of evidence over the years—I have started to run through where some of those concerns come from—is that there is doubt about whether that will continue to be possible.

Alan Brown (Kilmarnock and Loudoun) (SNP): I am fully behind the principle of the amendment. Scotland still leads the way in terms of Scottish workers being employed under public ownership. We are looking at a public sector energy company and a public sector bid to run the ScotRail franchise. I completely support that public sector ethos. As was mentioned, the Bill is supposed to be about existing trade agreements being rolled over into UK law. Is the hon. Gentleman saying that even under existing EU trade deals, these public service operations are at risk, meaning that that would be a concern when any one of those deals was rolled over?

Bill Esterson: If the amendment is agreed, we are making sure that there is no prospect of there being a problem or concern about any of these things arising. I am glad that the hon. Gentleman mentioned some of the important elements of public services that are still in the public sector in parts of the United Kingdom, because in the Labour manifesto last year that is certainly what we envisaged for the whole country.

We believe that those with concerns are right to be concerned, given that the European Commission has said the following about including public services in the multilateral services regime in its proposal on modernising the system:

> "Indeed, it is important for the EU that GATS does cover public services, as the EU, for whom services represent 70% of the overall economy, and where EU harmonisation has led to the liberalisation of former public monopolies in areas such as telecoms and postal services, is also the world's largest exporter of services and seeks access to other markets."

That is why public reassurances and best endeavour commitments from Ministers are not the issue here. Legal certainty and absolute exemption are required, which again answers the point made by the hon. Member for Kilmarnock and Loudoun. Amendment 7 seeks to exclude, once and for all, public services from the fear of being trapped by world trade rules, by prohibiting Ministers passing regulations to implement the trade agreement if that agreement in any way restricts the ability to keep public services in public hands or to bring them back into public hands once they have been outsourced.

In the wake of the disastrous collapse of Carillion, I would hope that the common sense of the amendment is so overwhelming that it will receive support from the Government. We cannot have a situation where the outsourcing of public services to the private sector might end up entangled in trade rules so that future Administrations find themselves in any way restricted in bringing those public services back into the public sector for delivery by public sector employees.

When the Secretary of State gave evidence to the International Trade Committee last February, he was invited by my hon. Friend the Member for Birmingham, Ladywood (Shabana Mahmood) to repeat the words:

> "The NHS is off limits in any future trade deal."

In reply, the Secretary of State stated:

> "Let me tell you, as the person who will be in charge of negotiating that, it would not be happening on my watch."

Let us hope that the Secretary of State's commitment will encourage the Government to vote in support of the amendment and to ensure that our NHS and our other vital public services will never be pawns to be bargained away in international trade negotiations.

Alan Brown: It is a pleasure to serve under your chairmanship, Ms Ryan. I will expand briefly on the point I made in my intervention. We fully support the principles behind amendment 7. Scottish Water is still in public ownership in Scotland. Caledonian MacBrayne ferries recently went out to tender and there was a public sector bid, so that remains run by the public sector. Going forward, the Scottish Government are looking at the ScotRail franchise possibly coming into the public sector, as well as public sector energy companies. Of course, we all value the different national health services across the constituent countries of the United Kingdom.

The hon. Member for Sefton Central touched on Carillion, which is certainly a good example of how private does not always equal better. We have now seen the latest east coast main line fiasco—Stagecoach and Virgin were able to walk away and not honour their commitment to the public purse in the franchise moneys they were meant to pay. It is clear that that service has been run successfully in the public sector before and there is no reason why that could not be done again. We would certainly like to see more rail franchises operated by the public sector.

For those reasons, we would welcome these protections being added to the Bill. I would like to think that the amendment is not really required, but there does sometimes seem to be a confused position in the Labour party. The leader of the Labour party, the right hon. Member for Islington North (Jeremy Corbyn), has suggested that we cannot be in the single market and have rail nationalisation. This is not correct, given how many national rail companies operate in the UK and run UK franchises. Clearly, we can have nationalisation and be in the EU single market.

Barry Gardiner: Perhaps the hon. Gentleman will allow me to clarify. I believe that the contention is not that we cannot have a nationalised industry as a member of the single market; it is that once the sector has been liberalised, it then becomes very difficult to take it back under national control. That is the point my party's leader was making, not the one he suggests.

Alan Brown: I thank the hon. Gentleman for that clarification. I would still contend that there is a confused viewpoint regarding the single market and how it aligns with membership or otherwise of the EU. Again, where the rail franchising system in the United Kingdom has been liberalised, clearly there is no impediment to the Scottish Government making a public sector bid. That proves that it can happen within the EU single market.

In conclusion, I welcome any commitment to strengthen the public sector ethos and public sector ownership, and I will be interested to hear what the Government have to say.

Greg Hands: As I have mentioned, the aim of continuity means that this exercise will not be used as a back-door way to alter how the UK delivers public services. I make it clear to the Committee that the protection of public service delivery is written into many EU trade agreements and they already include safeguards to protect EU country Governments from being forced to privatise their services. That protection has worked for 20 years.

I will turn to some of the individual points that have been raised. The hon. Member for Sefton Central talked about the agreement on government procurement. Just to be clear, the GPA operates on a positive list basis—that is, only areas listed by GPA members in their GPA schedules are covered by the GPA's obligations.

Secondly, the hon. Gentleman will know, as I do, that negotiations on the trade in services agreement are ongoing at the WTO, but are not making a great deal of progress. The UK's position, as it currently stands, will be represented in those discussions by the European Union.

Faisal Rashid: If the Government will not support the amendment today, will the Minister provide assurances to the Committee and to the British people that the Bill will not put vital public services, such as the NHS, at risk of piecemeal privatisations that are ultimately detrimental to those who rely on those services?

Greg Hands: We have been clear that many EU trade agreements presently provide those protections and we have been clear that this exercise of transitioning existing EU free trade agreements will not be used for any back-door attempt to do anything to the NHS that would prevent our right to regulate domestically for the NHS. This party has a proud record of defending and protecting the national health service, and that will continue.

Barry Gardiner: Does the Minister recall that during the drafting of CETA, while Germany put a clear exemption into the agreement's text that it would not allow any privatisation of its health service in that way, the UK failed to do so? One reason the ancillary document—the interpretative document—was necessary was to make that clear, but that document was not binding in law. As such, the Government do not have a good record on this, do they?

Greg Hands: The hon. Gentleman and I had an extensive debate on this matter in February. We are satisfied that the protections in CETA are adequate for protecting our national health service and our right to regulate in the domestic market.

It has long been an aspect of UK Government policy under successive Governments to make sure that trade agreements work for services. That is actually in the UK national interest—80% of our country's GDP comes from services and 79% of our employment comes from services—and has been an objective of successive Governments.

11 am

I remember when the hon. Gentleman was a Minister under Tony Blair. The Blair Government rightly ensured, in particular within the European Union, that services were part of the trade agenda. Although the hon. Gentleman has changed his opinion on many matters in the intervening 10 years since Mr Blair left office, I am a little surprised that he and his colleague now seem to be arguing against the UK doing more to ensure that services are a key part of future trade deals.

Barry Gardiner: Will the hon. Gentleman give way?

Greg Hands: Of course I will allow the hon. Gentleman to intervene, to clarify where he is with Tony Blair.

Barry Gardiner: My relationship with our former Prime Minister is probably not in scope for the Committee. However, I assure the hon. Gentleman that the Labour party and the Opposition in Committee do not in any way want to stop the very valuable exports that our service industries make to the rest of the world. We want to see them flourish, but we want them to do so within a framework that does not prejudice the protections that should properly—as the Minister has acknowledged—be in place for public services and the public sector in this country, and the right to protect our national health service and to ensure that public procurement can be done properly.

Greg Hands: I think we shall leave it at that. I thank the hon. Gentleman for his clarification of where he stands in relation to Tony Blair.

Protecting the UK's right to regulate public services is, of course, of the utmost importance. UK public services are protected by specific exceptions and reservations in EU trade agreements where relevant. As we leave the EU, the UK will continue to ensure that rigorous protections are included in all trade agreements that it is party to. On that basis, I ask the Opposition to withdraw the amendment.

Bill Esterson: I will not be drawn on everything the Minister said, but I will go back to what the hon. Member for Kilmarnock and Loudoun said in his short speech. The amendment and the Bill are about trade agreements and not about the single market. My hon. Friend the Member for Brent North made it clear on

Second Reading exactly what our relationship with the single market will be once we have left the European Union—if we are not a member of the European Union, it is not possible to have a say in the rules, so we are therefore not a full member whatever our relationship with the single market. He explained it extremely well.

The amendment is about the relationship with future trade agreements and about having the right protections for public services. I go back to what I said in my speech: the amendment is about ensuring that we have the ability in law to bring services back in, in the light of Carillion, whether they are to do with the NHS or other services. In the public interest—the public good—this country should have the ability to decide where its public services are run.

Matt Western: Back in February last year, as I understand it, the Minister told the International Trade Committee that the NHS would remain off limits in trade negotiations and that he would not sacrifice the Government's right to regulate public services. Does my hon. Friend therefore share my surprise that the Minister is not keen to include the amendment in the Bill?

Bill Esterson: I share my hon. Friend's surprise because, as I said in my speech, repeated public reassurances and "best endeavour" commitments from Ministers are not the issue; legal certainty and absolute exemption are required. If the Minister will not accept the amendment, perhaps he will tell us now that he will bring forward his own amendment later in our proceedings to achieve exactly that.

Greg Hands: We are talking here about future trade agreements, on which I have clearly laid out our position. I will just pick up on a point made by the hon. Member for Warwick and Leamington. I think he is incorrect in what he said on any evidence I might have given to the International Trade Committee last February. To be clear—and perhaps to my regret—I did not appear in front of that Committee until last week.

Bill Esterson: It is odd to be intervened on about the comments of another Member. I suspect my hon. Friend the Member for Warwick and Leamington meant the Secretary of State. I thought all Ministers spoke as one in Government, although we have seen enough evidence in recent days, weeks and months to suggest that that is not entirely true. Today is perhaps the latest example, with the leaked reports from the Secretary of State for Exiting the European Union. We are wandering, and I think the Chair might have something to say on that.

Over the weekend, the Prime Minister left a degree of ambiguity in her words on this issue. As my hon. Friend the Member for Brent North quite rightly reminded us, the German Government felt sufficiently concerned about CETA to exclude healthcare from its provisions. We should be very mindful of that. The Government are keen to, in their words, roll over that agreement, although with the acknowledgement that that may involve technical changes. Perhaps we can all agree that it will become a corresponding agreement.

There is a body of evidence from across the years showing the need for cast-iron guarantees to protect public services, so that they can be delivered in the public good and brought back in house where necessary. Without it being legally binding in the way we have set out in the amendment, it is difficult to see how that can be achieved. I will ask again: if the Government will not support the amendment, will they bring forward their own amendment that delivers on exactly that point later in our proceedings? There will be further opportunities in this House and in the other place to do so.

Question put, That the amendment be made

The Committee divided: Ayes 9, Noes 10.

Division No. 4]

AYES

Bardell, Hannah	McMorrin, Anna
Brown, Alan	Rashid, Faisal
Cummins, Judith	Smith, Nick
Esterson, Bill	Western, Matt
Gardiner, Barry	

NOES

Badenoch, Mrs Kemi	Pursglove, Tom
Hands, rh Greg	Stewart, Iain
Hughes, Eddie	Vickers, Martin
Keegan, Gillian	Whittaker, Craig
Prisk, Mr Mark	Wood, Mike

Question accordingly negatived.

Judith Cummins: I beg to move amendment 8, in clause 2, page 2, line 29, at end insert—

"(4A) Regulations may only be made under section 2(1) if—

(a) the provisions of the international trade agreement to which they relate are consistent with standards for food safety and quality as set and administered by—

(i) the Department of Health;

(ii) the Food Standards Agency; and

(iii) any other public authority specified in regulations made by the Secretary of State;

(b) the Secretary of State is satisfied that mechanisms and bodies charged with enforcement of standards for food safety and quality have the capacity to absorb any extra requirement which may arise from the implementation of the agreement;

(c) the provisions of the international trade agreement to which they relate are consistent with policy to achieve reduction in the risk of disease or contamination as set and administered by—

(i) the Department of Health;

(ii) the Food Standards Agency; and

(iii) any other public authority specified in regulations made by the Secretary of State;

(d) the provisions of the international trade agreement to which they relate are consistent with achieving improvements in public health through any food policy priorities set and administered by—

(i) the Department of Health;

(ii) the Food Standards Agency; and

(iii) any other public authority specified in regulations made by the Secretary of State;

(e) the provisions of the international trade agreement to which they relate are compliant with policy to achieve targets for farm antibiotic reduction set by the Veterinary Medicines Directorate;

(f) the provisions of the international trade agreement to which they relate are compliant with retained EU law

relating to food standards and the impact of food production upon the environment; and

(g) any food or food products to which the provisions of the international trade agreement apply meet standards of labelling, indication of provenance, and packaging specified by the Food Standards Agency.

(4B) A statutory instrument containing regulations of the Secretary of State under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.".

This would ensure that international trade agreements maintain or enhance food safety standards in the UK.

The amendment speaks to the critical issue of food and food safety, in the context of our future international third country agreements. No Committee member needs me to tell them of the central importance of maintaining food safety standards in this country and ensuring that the British people can have confidence in those standards. However, perhaps it is necessary to provide some explanation of why this has become such a totemic issue in the debate around international trade.

Alan Brown: In her opening remarks, the hon. Lady has talked about reassuring the British people. I note that the amendment mentions the Department of Health and the Food Standards Agency. Is it not deficient because it does not recognise the devolved Administrations? I wonder whether that is an omission, because Food Standards Scotland actually gave evidence to this Committee.

Judith Cummins: The hon. Gentleman makes a very good point.

It is easy to joke about chlorine chicken or hormone beef, and at least one of the witnesses in the oral evidence sessions noted that we have heard more about those particular delicacies than we would ever wish to. Yet there is a profoundly serious point underlying the reference to them—a point that was hammered home in November last year when Wilbur Ross, the man appointed by Donald Trump to be US Secretary of Commerce, addressed the annual conference of the CBI.

Mr Ross put the UK on notice that we will have to relax our food safety laws if we wish to have a trade deal with the USA. He specifically called out the sanitary and phytosanitary regulations that we have in place to protect against the importation of potentially dangerous products, and he complained that they act as a barrier to US exports, seeing as the regulations that US producers have to abide by in their home markets are much lower than those that apply in Europe. Mr Ross explicitly warned the British people that we need to downgrade our food standards if we wish to have a trade deal with the USA.

The regulatory system that we have developed over decades in the UK is based on the precautionary principle, which states that where there is a risk that public health or safety might be compromised, regulatory bodies must err on the side of caution. The principle applies even if the level of risk cannot be fully quantified under the science that we have today. Any company or individual who wishes to introduce a product or process to the market must—quite rightly—prove it is safe to do so.

Barry Gardiner: On the point made earlier by the hon. Member for Kilmarnock and Loudoun, proposed new sub-paragraph (iii) of the amendment refers to

"any other public authority specified in regulations made by the Secretary of State".

Does my hon. Friend agree that that therefore makes provision for the other Administrations' bodies to be included in the scope of the amendment, although I entirely take the hon. Gentleman's point that Food Standards Scotland was not specifically mentioned, and it might well have been?

Judith Cummins: I thank my hon. Friend and the hon. Member for Kilmarnock and Loudoun for their interventions, in which they both made valid points.

In the USA, the requirement is reversed. Those who wish to introduce products or processes to the market are free to do so unless the authorities can prove that they are unsafe. What they have tried to call the "scientific" approach to food safety, as opposed to the risk-based approach that we enjoy in this country and throughout Europe, has meant that the USA has ended up with lower standards of food hygiene and food safety. That is why the processes behind meat production on either side of the Atlantic are so radically different.

More than 90% of US beef is produced with the use of bovine growth hormones that have been linked to cancers in humans. We have food safety regulations in place across Europe that have banned any imports of hormone-grown beef from the USA and other countries for 30 years. US poultry producers are permitted to douse chicken and turkey carcasses with chlorine washes before selling them on to consumers. Again, that practice has been banned in Europe for more than 20 years, and the USA has challenged the ban at the WTO as being a barrier to its ability to penetrate the EU market.

The connection with animal welfare is paramount in this respect, in that the European regulations seek to introduce at least some consideration for the welfare of the animals that are farmed for human consumption. The USA has no comparable regulations on animal welfare, and the conditions in which its industrial farming takes place do not bear thinking about. Let me make the central point clear: the issue before us in this Bill is not whether we like the idea of eating hormone-grown beef, or whether we care about animal welfare in the raising of poultry for slaughter—those are debates we can have another time; the issue before us here is that we must be the ones to decide on food safety and animal welfare issues, and we must do so in an open forum as the elected representatives of the people of the United Kingdom.

Faisal Rashid: Does my hon. Friend agree that, if we do not secure an amendment to protect food safety standards in the UK, we will be failing our constituents and potentially putting public health at risk?

11.15 am

Judith Cummins: My hon. Friend makes a very important point. It is important that we consider those wider issues in this Committee.

It is unacceptable that we might come to such a debate in the future only to discover that our right to choose what we eat and how it is produced has already

been traded away in secret negotiations by a Secretary of State who ranks getting a trade deal far above protecting food safety for the British people. Amendment 8 would simply ensure that our trade agreements conform to food safety policies, not the other way around.

The significance of the challenge laid down by Wilbur Ross at the CBI last November was lost on no one. Two days after the speech, the EU's chief negotiator, Michel Barnier, responded to Wilbur Ross and posed the No. 1 question for the UK: do the British people wish to remain aligned with the European Union's relatively high standards, or do we want our food safety standards to be downgraded so we can do a dirty deal with the USA?

Matt Western: Does my hon. Friend agree that, given the Secretary of State's statement that there

"are no health reasons why you couldn't eat chickens that have been washed in chlorinated water"—

of course, that is the same Secretary of State who said that Brexit is the easiest thing in human history—it is crucial that we set out in statute that international trade agreements must maintain the food safety standards in our country?

Judith Cummins: My hon. Friend is absolutely right that that must be set out in regulations and in statute.

I want to spell out clearly the connection between this amendment and one of the key issues in the post-Brexit settlement between the UK and the EU—namely, the border issue on the island of Ireland. Hon. Members will recall the dramatic scenes last month when our Prime Minister finally managed to move us on to negotiations with the EU about what our long-term relationship should be after Brexit. That was achieved by way of an agreement in respect of the island of Ireland, which committed the UK to the following:

"In the absence of agreed solutions, the United Kingdom will maintain full alignment with rules of the Internal Market and the Customs Union which, now or in the future, support North-South cooperation, the all-island economy and the protection of the 1998 Agreement."

When pressed further on what exactly that might mean, the Prime Minister was more explicit. She specified that there are six areas that are covered at present by north-south co-operation on the island of Ireland, and confirmed that one of them is agriculture.

The significance of the Prime Minister's words goes far beyond the immediate issue of how we are to relate to the remaining 27 member states of the European Union in the future. Any suggestion that the UK might downgrade its food safety regulations to do a deal with the USA or any other trading partner would wreak havoc among farming communities both north and south of the border in Ireland, which would find themselves unable to continue trading freely. Allowing the Secretary of State to contemplate such a divergence in a trade deal with the USA or any other trading partner would jeopardise the peaceful co-existence that we have all endeavoured to hold together since the Good Friday agreement was signed 20 years ago. That is why amendment 8 is so important, and we hope the Government will vote to support it.

There are real threats. The USA agricultural lobby called for EU rules on pesticides to be downgraded in TTIP, given that we have far stricter regulations on the levels of chemical pesticide residue permitted in food. It called for our ban on the sale of genetically modified organisms to be eliminated, given that 70% of all processed food in US supermarkets is now made with genetically modified ingredients. It also called for an end to the mandatory labelling of products containing genetically modified ingredients, on the grounds that it represents a hidden barrier to trade. Consumer choice would go out of the window with public health, food safety and animal welfare rights.

Matt Western: Does my hon. Friend agree that this is clearly an issue, as has been described, of consumer information and consumer rights, in terms of not just the quality of food being put on our plates but the conditions in which our animals are kept, the state of the abattoirs and the standards we maintain so highly in this country?

Judith Cummins: I thank my hon. Friend for that intervention, and I repeat that it is important to maintain the regulatory standards we have in this nation.

The US Government trade representative confirmed in writing at the very outset of the negotiations that the USA's TTIP negotiators would be seeking to eliminate or downgrade those sanitary or phytosanitary measures that prevent US exports from entry into the market of the UK and other EU member states. That was one of the central reasons why TTIP became so toxic across country after country in Europe, and why the European Commission soon discovered that it had no legitimacy to continue the TTIP negotiations at all.

I should also note that there is a commercial aspect to this. The celebrity chef, Jamie Oliver, was so concerned about the potential impact of TTIP on his business—which is based on high-quality food imports at every stage of the supply chain—that he took it upon himself to call on the previous Secretary of State for cast-iron guarantees that food standards would not be included as part of the TTIP negotiations. The Secretary of State was unable to give him those guarantees, since the TTIP negotiations were, at that same moment, addressing sanitary and phytosanitary measures at the express demand of the US Government. Of course, those negotiations were going on behind closed doors.

That is what Wilbur Ross meant when he warned that the USA would demand the downgrading of UK food standards. That is why it has been so appalling to see the current Secretary of State laughing off the threat represented by such a downgrading of our standards.

Greg Hands: I have been listening carefully, but to be absolutely clear, I think the hon. Lady referred to the previous Secretary of State. Obviously, the current Secretary of State is the first and only Secretary of State for International Trade. Could the hon. Lady perhaps clarify whom she is referring to as the previous Secretary of State?

Judith Cummins: I am referring to the right hon. Member for Twickenham (Sir Vince Cable).

Amendment 8 also seeks to ensure that the food we eat comes from healthy animals that are naturally resistant to disease, not dosed up with antibiotics as an alternative to maintaining food hygiene throughout the production process, which is a standard model of industrial farming in the USA. We all know about the real threat of

[Judith Cummins]

superbugs that develop their resistance to antibiotics. That is why the Veterinary Medicines Directorate has set targets for the reduction of antibiotic use in agriculture. This is where the interface between animal welfare and food safety becomes most compelling, and why British farmers should be proud to produce food that adheres to the highest standards—all the way from farm to fork.

Finally, this amendment would ensure that the bodies responsible for upholding and enforcing food standards in this country have the capacity to meet any extra requirements placed on them.

Faisal Rashid: I was just reading some of the evidence submitted by Sustain, the alliance for better food and farming, which says exactly what my hon. Friend is saying:

"We want affordable food, not cheap food, which may be poor quality or unsafe to eat. Cheap, poor quality, imported food will come at a cost—to the farmer or food producer, to animal welfare, to the environment or jobs in UK food and farming. There may be hidden costs to our NHS and economy from food poisoning and lost days at work."

Does my hon. Friend agree that this amendment will help to protect our food standards?

Judith Cummins: I thank my hon. Friend for that intervention and wholeheartedly agree that this amendment would help to protect our food standards.

To clarify my previous comments and the intervention by the Minister, I was referring to the right hon. Member for Twickenham in his former role as Business Secretary.

Finally, this amendment would ensure that the bodies responsible for upholding and enforcing food standards in this country have the capacity to meet any extra requirements placed on them as a result of new UK trade agreements. We absolutely do not wish to see any downgrading of capacity in relation to food safety officers or others responsible for ensuring that we can have confidence in the food on our shelves.

Once again, I find it hard to see how the Government can find any reason to object to this amendment, and I hope that we can count on support from the Government Benches in voting it through.

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.