

ANDREW MARR SHOW

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CHRIS GRAYLING

AM: Welcome to you. Would you regard this thing as propaganda or as a fair start of the argument?

CG: Well, what I'm experiencing now amongst the people who've received it is they all see it as part of the campaign, and not a dispassionate leaflet. So they see it as a remain campaign leaflet and are treating it as such. So it's certainly not being treated by the voters out there as an independent authoritative document. And therefore it's right and proper that they should be very sceptical about some of its contents.

AM: Because it seems to me, looking at it, that it's fairly – it's not strong in its language, it's not making wild claims. A lot things like 'the EU is by far the UK's biggest trading partner, EU countries buy 44 per cent of everything we sell abroad.' Is that true?

CG: Well, yes, they are our biggest trading partner, and we are one of their biggest trading partners. And one of the points that we don't hear from the remain campaign is that we buy far more from the European Union than they buy from us. And it's interesting just to have heard Emmanuel Macron talking about their possibly being consequences for Britain.

AM: Yes, he did, yeah.

CG: Here is a man who certainly would appear to want to be the next President of France. In 12 months time he may be electioneering to become the next President of France. French farmers depend upon British consumers and British supermarkets for their sales. Do we honestly think he is going to be saying to those French farmers, who can be a pretty feisty bunch at election

times, actually I'm going to put in jeopardy France's relationship with your key market? It's not going to happen.

AM: Except the argument that he made was that if, as it were, he does a generous deal with the UK after Brexit, then what happens is other countries in the EU say, well, we want what the British have had, and you start to get what he called an unravelling. In other words, it's the end of the entire project, which is why the French might be a little bit more steely than you expect.

CG: Well, it depends what you mean by generous. I mean, all we want to do, all we intend to do, is to simply carry on trading. And it's interesting, David Cameron sat on this set on the 6th January and said, of course we'll carry on trading. And of course we will carry on trading because we buy far more from them than they do for us, and there are millions of jobs in Europe that depend on British consumers to buy their products.

AM: I think nobody thinks we won't carry on trading in some form. The question is what form? And again, in this leaflet it sort of makes the point that three million UK jobs, it says, are linked to exports in the EU. And part of that is the single market and membership of the single market. I keep asking people on your side of the argument whether we would or would not be in the single market. It seems to be quite important. What's your view?

CG: Well, I have no doubt at all that we will carry on trading tariff-free, without tariff, with the European Union.

AM: Which means the single market.

CG: Well, that's free trade. But there's practical examples of that. You know, we lost a van plant from Southampton to Turkey. It was funded and transferred by European Union money. Those vans are still being built in Turkey. They're being sold tariff-free

into the European Union. And of course Turkey's not making a financial contribution to the EU and nor is it allowing free movement, nor are they allowed free movement to the EU. So it's a nonsense to suggest we can't do a deal that will carry on allowing us to trade with the EU, and more particularly allow them to carry on selling their products to us.

AM: So Lord Lawson said, post us leaving the EU there would be WTO tariffs, which are relatively small, three to five per cent, but you're saying they wouldn't even apply?

CG: Well, I certainly wouldn't be the person who, if I was a candidate in a German election or a French election – and we have both next year – saying to my constituents, 'do you know what? The cars we sell to Britain, the milk and the wine that we sell to Britain, we're going to make them all more expensive so the British don't buy so many anymore.' That makes no sense. Why would they do that? Why would they jeopardise jobs in their own countries?

AM: I guess, because of this fear of unravelling – and we're talking about a political elite here, we're not talking about ordinary voters, we're talking about people who are committed to the EU as a project. And they think if we leave, the EU project starts to go backwards, and therefore they would – inverted commas – punish us. And the Germans the French and everybody have said if you want access to the single market that's fine, but you have to stump up some money and you have to accept free movement of people.

CG: But you see, their vision for Europe is one of the reasons that I think we have to leave. They've set up a single currency. All sensible commentators, economists that I can see say there has to be more integration in the Eurozone if the euro is to survive. Emmanuel Macron himself believes in political union. So what

does the EU look like in ten years' time as they've gone through that process of political union? It's a big bloc of 26 or 28 countries in the Eurozone, all operating together, merging pension systems and security systems and the rest. And then there's two little bits on the outside, us and Denmark. Does anybody seriously think in that situation our voice, our national interest is going to carry any sway at all. And that's the big issue. We won't be part of what they are trying to do, but if we stay within the European Union we will lose complete control over what happens in our country because they'll still be making our laws.

AM: The Prime Minister would say, if he were sitting here, 'but hold on a second, I renegotiated a lot of this. We're not going to be part of the single currency, ever. We're not going to be part of ever-closer union. I have got guarantees as I promised and I've brought them back to this country.'

CG: But nothing changes to the way the European Union makes its laws about the way things happen in this country. Our votes in the European Council don't change, our votes in the European Parliament don't change. And of course the role of the European Court of Justice – the European Court of Justice has told us how we have to classify an asylum seeker in this country. That's going to carry on. Their decisions will still be binding on us, so we are still very much in a position where a huge swathe of our laws are being made in Brussels, will carry on being made in Brussels, and as they integrate more and more and use single market legislation to do so, so we will still see more and of our powers going to Brussels. That's an inevitability.

AM: I don't know if you heard Emmanuel Macron also there talking about the Le Touquet agreement which keeps migrants trying to get through France into the UK in Calais, and has produced the camp and the jungle and so forth. He says again, that will go.

CG: This is a great red herring. First of all, let's be clear, the French government, the French Interior Minister, has said very clearly that won't change. It's a bilateral agreement between Britain and France. It's a bilateral agreement between Britain and France, it's nothing to do with the EU. And of course one of the reasons we don't have lots of refugee camps around Heathrow Airport is that we say to carriers you need to check before somebody gets on board that they have a right to come to Britain. We would simply do the same to the cross-channel trains, to Eurostar, to the Channel Tunnel trains. And of course lots of people would turn up in France and discover actually there wasn't a way to Britain, and France would have a bigger refugee problem than it does now. So it's not going to happen. The French Interior Minister recognised it's not going to happen and said that treaty will stay in place.

AM: The current President and the potential future President don't agree with that. We'll see what happens. But I come back to the point that you're saying we would have full free trade with the rest of the EU without having to pay any of the consequences, without having to pay up or accept free movement. Now, to the rest of the EU that seems like an extraordinary deal, and if they give it to us why wouldn't everybody else want it? And if they do, then the entire system falls to pieces. Which may be a good thing, I don't know. Nonetheless, that's what they are clearly worried about.

CG: Well Andrew, you need to look at it the other way round. We keep talking about our access to their markets. There are millions of European jobs that depend on British consumers. So it's about their access to our market. Now I want free trade to continue. I want them to be able to continue to sell BMW cars, French cheeses, tariff free in the UK, 'cause that's good for Europe, it's good for European jobs and it's actually good for the relationship

between us. But it's not a one way process. We are one of their biggest customers. We buy far more. £60 billion a year more from them than they do from us, and losing that business would be disastrous for producers all across the European Union.

AM: I think you're speaking as if they are natural, philosophical free traders seeing this in a kind of logical free trading thing, whereas in fact what they are is Europhile, Brussels based, politicians with a political agenda of their own, which makes it much less likely that they will be – and I use the word again – generous, or quotes: 'reasonable' to us if we leave.

CG: But they're politicians who need to be elected. Emanuel Macron may be the French President candidate next year. Does anybody really think he's going to say to French farmers who are a pretty important constituency to him, guys, we're not actually going to be giving you access to British supermarkets in future. It's never going to happen. He's a pragmatic politician who needs to get elected and it is in his interests that his producers carry on selling us their milk and their cheese.

AM; The people on the other side of the argument from you include you know, the IMF, the big banks, big business and shortly President Obama coming over here. Do you agree with Boris Johnson that he's a hypocrite?

CG: Well, I don't for a moment think that President Obama would tolerate a situation where the United States gave away as much of its sovereignty as we have to Brussels. It's inconceivable. The Democrats, if they advocated that, would be hammered at an election.

AM: So this is naked hypocrisy?

CG: In my view he perhaps doesn't understand the nature of the transfer of power that has taken place, but I can assure you if Americans truly knew how much of our national sovereignty now resided in Brussels they would never argue that we should stay.

AM: So basically it's ignorance on his part, not hypocrisy?

CG: Well, I can only think he doesn't realise. But you mentioned the IMF as well and the IMF of course has a wonderful track record of forecasting the British economy and the British position. Two years ago their chief economist accused George Osborne of playing with fire with his economic strategy and 12 months later they had to apologise because they got it so badly wrong. So there's a lot of words around.

AM: You have no big international organisations on your side, do you?

CG: Well, I think what you have to do is follow the money, Andrew, 'cause if you look at what's actually happening right now in the middle of this debate the German stock exchange has chosen to spend billions of Euros on buying in the London stock exchange. Avon, the US cosmetics manufacturer is choosing to locate its headquarters, worldwide headquarters to Britain. So where business decisions are actually being taken they're not actually in line with what's being said about the debate, people are coming to Britain.

AM: All right. One final point. David Davis was talking about – I was talking about what happens if we vote to leave to the Prime Ministers. Ken Clark said he won't last 30 seconds, David Davis said yes he would but he'd have to appoint somebody who had been on the other side of the argument to renegotiate our relationship with the EU. You're the people saying it can be done, surely it should be one of you leading that kind of negotiation.

CG: Well, I actively want David Cameron to stay. Not only because he's a very good Prime Minister, but because he actually has got the relationships we need around Europe to build the negotiating process. It would be disastrous, in my view, for the lead cause if we vote to leave and then we get distracted by a Conservative Leadership contest. He must stay, I want him to stay and he then to do it.

AM: And do you want him to renegotiate?

CG: Well I want him to be part of a team, to lead a team but it needs people who want to leave in that team as well.

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