

ANDREW MARR SHOW, 12th JUNE, 2016, I/V DAVID CAMERON, MP

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I/V DAVID CAMERON, PM

AM: Welcome Prime Minister.

Some pretty blood curdling warnings this morning for pensioners, the NHS and the Armed Services. People are going to say this is yet more of project fear. It's et for scaremongering.

DC: Well, what it is, is saying that if we vote to leave the European Union and leave the single market, that will have economic consequences. Now of course there are the experts: The Governor of the Bank of England, the IMF, the Institute of Fiscal Studies, all saying our economy would be smaller, and so therefore we'd have less money to spend on public services. But I also think there's a deep piece of common sense here- I just want to take a moment to set it out - In the single market we get free access to five hundred million consumers. That's crucial for our economy. It's where almost half of what we sell goes. If we have less good access, which we would if we left, obviously that's going to impact our economy. That will impact our car makers, our aeroplane makers, the services industries. I mean looking behind us at that enormous industry on the wall of the London financial centre. So if we restrict our access we will be less well off. And that obviously affects what we can spend on public services. There's no saving from leaving the EU, there's a cost, and my message is very clear, which is don't risk it.

AM: I guess there are two things you could say about that. One is that these things, ring-fencing the NHS, spending enough money on our defences and so forth, these are political choices. You could equally say that you'd raise taxes or raise borrowing.

DC: Well that's true, of course. If as the IFS and the National Institute of Economic and Social Research, both totally independent, frequent and trenchant critics of the Government,

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they say there'll be something like a 20 to 40 billion black hole. Now of course you could meet that by putting up taxes on ordinary hardworking people; or by going back to borrowing more and putting our economy at risk; or it could be cuts. Cuts in things like pensions or health or other - and look my point is we don't have to vote for that. We don't have to risk it. We can take the better choice. I think it's worth stopping for a moment and thinking how we'll feel on the 24th of June. If we vote In I think there will be actually a wall of investment. I think companies that are responsible for employing people in this country and making things in this country will want to do more, employ more, make more. We'll have a strong and bright future inside a reformed European Union. If we vote out it is a decade of uncertainty and so we shouldn't risk it.

AM: But you have chosen this morning to warn pensioners, in particular that they will lose the triple lock. Let me read you what Iain Duncan Smith has said about that: 'What we now have is a vindictive and desperate attempt to bully and frighten the British people, particularly pensioners. The truth is that these are policy choices and the Conservative manifesto said that protecting pensioners was a priority. It is now apparent that there is nothing they will not do' - And he means you - 'to use or jettison in their efforts to get us to leave(sic) the EU.' Stay.

C: Well, it is a policy priority and we spend something like £90 billion a year on pensions and pension benefits.

AM: But that will be a priority for a future Conservative Government.

DC: Of course it's a priority. But the fact is if we did face a 20-40 billion black hole in our public finances we'd have to make difficult choices. And our pensions promise is based on a growing and succeeding economy and all of the experts, and I agree with them

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and that most people in business agree, if we leave the single market, if we cut ourselves off from the most important market our economy will be smaller and that has consequences. You know we'll be taking a risk with jobs. We'd be taking a risk with growth. We'd be taking a risk with pensions – and we shouldn't do that, it's the wrong choice.

AM: All the risks that are there, because you caused the referendum in the first place –

DC: And I think it's right to hold this referendum, but just because it's right to hold the referendum doesn't mean you shouldn't be very clear about the potential consequences. You've just had Nigel Farage sitting here saying, you know – if the pound falls, so what? That is how –

AM: Briefly he thought and it would go back up again.

DC: But I'll tell you, so what. Which is if the pound falls then that means the prices in our shops go up, it means the weekly shop costs people more. It means that family holiday costs more. Outside the single market the air fares will cost more. These are all risks we should avoid. We shouldn't risk it.

AM: The challenge to you is that this is scaremongering. You've been quoting the IFS in the papers all morning, let me read you what the IFS says: 'If we turned out to have a 20-40 billion pound hit to the public finances that would be a much smaller hit than the effect of the 2008 recession, it would be below the downgrades to the forecasts made by the OBR between the budgets in 2011 and 2013. We have coped with those. In fact – they are the Treasury themselves forecast that if we leave the recession will be the shallowest since 1956. It is not Armageddon.'

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DC: But who wants to vote for a shallow recession? I mean the 2008 recession was the worst since the war, and if we vote – this would be the first recession that was self-inflicted, if it were to happen, and that's what the Bank of England and the IFS and the Treasury and others think.

AM: The roof doesn't come down.

DC: I've been Prime Minister for six years. I know what it's like, as Prime Minister, trying to fill in a black hole. Trying to deal with the aftermath of recession; trying to help get people back to work; trying to mend our public finances; making difficult decisions, decisions which many people watching this programme won't have agreed with because they were tough and difficult. I don't want us to have to make any more of those decisions, and if we vote to stay in we don't have to and if we vote to come out we are putting ourselves, deliberately, in a less good economic position in our absolutely key market. And I think one of the things the debate has proved –

AM: People believe that you are overstating the case and if you look at the audience in that ITV debate for instance they were sort of glassy eyed, they weren't listening to you. And the reason they weren't listening to you is perhaps because the warnings have been too extreme, too specific, all that stuff about house prices falling by 18% and so forth coming from the Treasury which can't forecast very much ahead, and people are no longer listening. They simply don't believe you.

DC: Well I totally accept that people are confused by having so many statistics and that there is a lot of frustration because of that, but I think it's actually my job, as Prime Minister, when you've got information coming from independent forecasts, from the Governor of the Bank of England - whose job it is to warn the government if there are risks to the economy - from the

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International Monetary Fund whose job it is to warn governments when they face risks. I think it's my job to talk about those risks and I think it would be very irresponsible not to do so and that's why I'm doing it very clearly.

AM: Those numbers are basically made up, that is the problem.

DC: Well, I don't accept that actually the Bank of England themselves –

AM: Well Steve Hilton, your former adviser, says: 'They are made up.' He's talking about the Brexit forecast numbers from the Treasury.

'They are made up, I know because I used to do that stuff for you.'

DC: Well, except for the Institute for Fiscal Studies have I somehow ventriloquised them?

AM: I don't know.

DC: No, well I haven't. They wouldn't – that can't. Can I do that with the Bank of England? I can't do that. So I just don't – there are risks that we would be deliberately taking and I think again for people who find the barrage of statistics confusing, although they're coming from independent bodies, I think there's such an obvious common sense and logical point here, which is our carmakers, our aeroplane makers, our financial services business, are insurers – they want us to stay in the biggest single market in the world because they see immense opportunity. We should be taking that market and driving the trade deals, with China, whose economy we're bigger than as part of the single market – driving that deal with America, who we're bigger than in the single market, and there's huge upside and opportunity, particularly for

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young people starting out on their lives, but there are risks and I say we shouldn't risk it.

AM: I'm suggesting to you that somehow the tone has gone badly wrong. People are not listening. Two-thirds of people, according to a poll recently, don't think that they personally will be worse off after Brexit. And it's beginning to sound a bit as if your campaign is kind of vote to stay or the puppy gets it!

DC: No, I don't accept that. I think it's a hugely optimistic and positive campaign. Our campaign slogan is 'Stronger', positive, 'Safer', positive, 'Better off,' positive, inside the EU. And that's why we're going to be talking a lot more about the opportunities there are for young people in terms of the jobs and the apprenticeships that we create. The strength that Britain gets. Again, I've seen this over six years as Prime Minister. If I want to help tackle problems, whether it's stopping migration in the Eastern Mediterranean, trying to clear up Ebola in West Africa, fight climate change, stand up for Britain's interests anywhere in the world, you don't diminish your country by being part of the EU, you strengthen your country and there's a strong bold patriotic case, positive case, for staying in this organisation. And another point I think that hasn't come out - if we wake up on June 24th and we're in - Britain's authority within the EU will be stronger. No other country has done what we've done, hold a renegotiation, hold a referendum. And then people will know that the British agenda, trade deals, prosperity, jobs and fighting extremism and terrorism is going straight to the top of the agenda and we'll be pushing that in Europe and elsewhere. And the other point some people make is that there's somehow a choice between being in Europe and going global. That is nonsense. By being in this single market and having that economic strength that gives us the ability to have global reach as well.

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AM: All right. When Sir John Major, your predecessor, was sitting in that chair last week he said that the NHS would not be safe in the hands of Boris Johnson, Michael Gove or Iain Duncan Smith. It would be like giving your pet hamster to a hungry python - I'm carrying on the animal theme here. Do you agree with him?

DC: Well I thought he made a very powerful case for why we should stay in the European Union.

AM: Sorry, do you agree with that particular point?

DC: I have given my self-denying ordinance which gave about ten days ago and it remains for the next thirteen days. I'm not going to talk personalities, I'm not going to talk people. I'm simply going to talk –

AM: You sent out Amber Rudd to do it for you!

DC: I'm simply going to talk about the arguments, about the facts, about the case as I see it and I'm going to restrict myself – I think there's enough issues and facts and arguments to get into.

AM: Well let me pursue this if I may a little bit, because if we vote to leave there will be changes in the Conservative Party and those people on the Vote Leave side will be enhanced and their position will be taken. You have said two things: You have said, I will stay on as Prime Minister and presumably to the end of the parliament you're talking about.

DC: Yes, yes.

AM: And you have said I will carry out the wishes of the British people.

DC: Yes.

AM: Now the trouble is the wishes of the British people is a rather indistinct thing. It's a blunt yes or no. So for instance, does the kind of mini-manifesto of the Leave side, the Tory Leave side, signify after a Brexit vote? Would you bring in an Australian style points system? Would you send that extra money to the NHS? Would you do the other things they have said they would do?

DC: Obviously if we vote to leave the EU with the economic consequences that would have, leaving the single market, facing the pressure of having a smaller economy and a DIY recession, that has consequences which I think would be very difficult for government to deal with. But above all, much more than that, they're difficult for Britain's families. I worry about people losing their jobs, about people having less income.

AM: All of this is true, but you haven't answered the question okay.

DC: Well the question, I think the question is: if we leave – if we vote to leave will we carry out that instruction? Yes. When I carry on as Prime Minister. Yes. Will I construct a government that includes all of the talents of the Conservative Party? Yes. Do I think it's the right course for our country? No, I don't. I think we would be stronger, safer and better off in.

AN: You'd be in a very, very strange position. You'd be introducing an Australian style points system you don't believe in for instance and you would – or would you not - be taking us out of the single market? Because there is room for a prime minister to negotiate that. After the shock of a Brexit vote we will be –

DC: I think one of the most important moments in this campaign was when the Out campaign said they wanted to leave the single market. They didn't have to make that choice, they've made that

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choice. And what the British public would be voting for – hang on let me just finish. The British public would be voting if we leave would be to leave the EU and leave the single market. We'd then have to negotiate a trade deal from outside with the European Union. Now Canada is in the process of doing that, it's taken seven years. And this is why I think there's a very real risk here of a lost decade for Britain, because leaving the EU you've got to negotiate your exit, it took Greenland three years to do that. You've got to negotiate a trade deal with the EU, it's taken Canada seven years to do that, and counting, and then you've got to negotiate trade deals with the 53 other countries covered by our trading arrangements with the EU. And I think we'd be looking at a decade of uncertainty. Apart from not banging on about Europe we'd be banging on about Europe for ten years. It would suck the energy, I think, out of our government, out of your country while we should be taking on the world and winning – the positive agenda – we would be stuck you know trying to re-negotiate these things for a very very long time. All the while, with an economy that was less well off.

AM: Well let me pursue this because parts of this are beginning to sound a bit Alice in Wonderland. You have said that leaving the single market would be putting a bomb under the British economy and yet you're now in the position saying as prime minister I will then detonate the bomb.

DC: I must accept the instructions of the British people. That is what a referendum – that is what a referendum is about. But if we leave the EU and the German finance minister was very clear, you're either in or you're out, leaving the single market, you've then got to negotiate a trade deal. And it is worth stopping for a minute and asking well, who's got what sort of trade deal from the outside? Because the truth is this: they would never give us a better deal on the outside than we get on the inside.

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AM: But you could do a deal which gave us access to the market, accepting free movement of people and we paid in. You wouldn't like it, you wouldn't say it was as good but that would not be putting a bomb under the British economy. You could do that - as prime minister you could try to negotiate that.

DC: The Leave Campaign has specifically rejected that option.

AM: That's them. You're the prime minister.

DC: Well there's a reason for rejecting that option which is if you go for the Norway solution, access to the single market, you still pay into the EU the same per head or a bit more as we do and you accept free movement. But crucially, and this goes to a bigger point, you have no say over what the rules are in that single market. And this is why I think our agenda is so positive on the Remain side because we have a seat at the table to determine the rules of this market of 500 million people. And for Britain, the 5th biggest country in the world, the idea that we should leave, abrogate that responsibility and then have our ear pressed to the glass outside the door trying to find out what 27 other countries are agreeing about the future of things that affect us, I think that would be a total abdication of responsibility for a great power.

AN: Norway aren't doing terribly badly at the moment it should be said, but let me move on to the other big issue.

DC: But the Norwegians say to me, you know, they've said to me very clearly, if you want to play a part in Europe, if you want to be run by Europe have our position, because they basically take dictation about what the rules are. You know I want the best for our -

AM: That's the Norwegian elite. It's not the ordinary Norwegian people who are doing pretty well at the moment.

DC: Well, they have an enormous – they have as much oil as we do and only four million people rather than 60 million people, so that makes a difference.

AM: Yeah, it helps, I agree.

DC: Take an example, think of our car industry. They want us round the table negotiating the rules for the electric cars of the future 'cause I want them to be built in Britain, not built in Germany or France or Italy and we get that say at the moment and we'd be giving it up if we leave.

AN: Let's swerve from electric cars to the issue that I think your side has most trouble with which is immigration. That promise to being immigration down to tens of thousands was your biggest single political mistake, apart possibly from holding the referendum.

DC: Well it's a challenge to control immigration and it's particularly a challenge when your economy...

AM: do you regret it?

DC: No, I think it's the right ambition for Britain. It's a particular challenge. When your economy is growing as well as ours did, and has done, I mean we've had a five year period where we've created more jobs than the rest of the European Union put together. But you know, as recently as 2008 European migration - the number of British and EU migrant EU people leaving Britain and the number coming - was in balance, as recently as 2008. And as the Eurozone countries, not all of them – but the major ones are now recovering, you can see that in France, you can see it in Spain, Ireland grew 7% last year – the idea that we are somehow

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shackled to a corpse when it's our biggest market and these are now growing countries, is nonsense.

AM: All right. 'Being in the EU means that we have no control at all over immigration from the rest of the EU. It is just untrue to say that we can control overall immigration if we stay in.' That's Paul Johnson of the IFS. The very man that you've been quoting all morning.

DC: Well, the point I'd make is that that doesn't take into account what we get if we stay, which is my welfare changes, so that if someone comes from the EU to work in Britain.

AM: As you know most of them come in to work.

DC: Hang on, hold on, this is very important. Well, if they come to work they get no unemployment benefit while they're looking. If they don't get a job within 6 months they can be asked to leave, and if they do get a job they have to work for 4 years paying into our system before they get full access to the welfare system. Now some people coming to Britain today are able to get £10,000 or more in year one in benefits, so of course that makes a difference. And I think that's a good way of controlling immigration. I think leaving the EU...

AM: 333 thousand to tens of thousands.

DC: Well I think leaving the single market is a massive mistake for our economy and for our country and I don't think you solve immigration problems by seeing unemployment go up, by seeing tax revenues come down, by seeing potential cuts to our public services. You know those are all risks that we shouldn't take and I say don't risk it.

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AM: If there's a voter watching this at the moment who's thinking what I really care about most is controlling immigration, which way should he vote?

DC: They should vote to stay in the European Union.

AM: That can't be true, because we have unlimited immigration.

DC: First of all we are able to control better, we have complete control over immigration from outside the EU, but again that has challenges and inside the EU if we vote to stay In we are ending something for nothing. If people come here then they have to come effectively to work or support themselves and they have to pay in before they get out. That was one of the biggest complaints people had, was that we had a something for nothing system. We've changed that through this negotiation and so now people can vote to stay knowing they're staying in a reformed Europe.

AM: So how much immigration will that cut?

DC: I haven't given an estimate but clearly if you take away £10,000 in benefits to someone in year one, that clearly has an effect. Money is a very important signal.

AM: Nigel Farage and many others have raised the issue of Turkey. I know this is a very, very hard fought issue but you could resolve it more or less now. At the moment it is the British government's policy for Turkey to join the EU. Yes? And we are spending money to help that happen. If you change that policy, if you said I don't want Turkey to join the EU, that is not our policy, you could end that part of the argument here and now.

DC: Well look, I think this is a complete red herring because there is no prospect of Turkey joining the EU in decades. You cannot find an expert on this subject – you've been quoting lots of

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experts – you can't find one that thinks it's going to happen, because it's not going to happen. They've opened one Chapter of 35 they have to open even though this started in 1987. At the current rate of progress they'll get there in the year 3,000. So it simply it's not an issue, it's a total red herring and the Out campaign know that. Some of them have admitted to it and so they should stop frightening people with this prospect 'cause it's not going to happen.

AM: A lot of people watching are saying, I really don't believe the establishment. They will find a way of getting Turkey in if it's in their interests. Could you at least say that if Turkey is going to come into the EU we have another referendum before that happens?

DC: Well I mean every country in Europe has a veto on this issue.

AM: Will you use it?

DC: Well, it's not going to happen. So me saying something different would make it sound like it is going to happen. It isn't going to happen, it is decades away, the Out campaign know that. They're using it as a tactic to try and frighten people, which is profoundly wrong, but this is not going to happen.

AM: Let me ask you about something else, if I may. 20 police forces across the country now are investigating Conservative election expenses. This started as a small story, it is growing and growing and growing. Did you authorise the payment of a very expensive QC to go to Kent Police and try to stop them extending their investigation, 'cause this looks like a cover up?

DC: This is all being handled I think quite properly by the Party Chairman and I'm very happy that what we did was right and we can answer all the questions that we're being –

AM: Hire a QC to stop the police investigating?

DC: What's happened, I mean if you stand back for a second, what happened here was that we, like many other parties, had a national battle bus that went to lots of constituencies and canvas and that national battle bus, and the expenses with it, in our view, and in the view incidentally of the Labour Party and the Liberal Party and others, all treated those as national expenses and I think that's the right approach. And the Party Chairman is handling it, he's handling it very properly and well, but I'm absolutely convinced we can answer satisfactorily all the questions that people are asking.

AM: My final question, are you on the edge of losing?

DC: Look, I think nobody knows what these polls are saying.

AM: So you could be on the edge of losing.

DC: We're in the middle of an absolutely vital debate for the future of our country and I want us to be stronger, I want us to be safer, I want us to be better off. But I don't want us to take the risk with our economy, with young people's futures, with jobs, with prices, with recession.

AM: It's agonisingly close, isn't it?

DC: It feels like it's a very lively and very full debate, but I'm confident that we have the strongest and the most positive case that we can carry on making this country greater if we stay in.

ENDS