ANDREW MARR:  
This time it’s war – or is it – between the coalition partners as they denounce each other’s plans for bringing down the deficit. Is the gulf between them over tax cuts and the size of the state too wide for them to work together in government ever again? I’m joined now by the Liberal Democrat business secretary Vince Cable. Good morning to you.

VINCE CABLE:  
Good morning.

ANDREW MARR:  
Now you’ve said that George Osborne’s plans for bringing down the deficit are unrealisable, but if there’s a Conservative government able to put those plans in, they may very well happen. What would be the state of Britain if George Osborne’s public spending plans, as described in the Autumn Statement, are put into operation?

VINCE CABLE:  
Well we have to reduce the residual budget deficit from the bank crisis - that’s common ground and the Liberal Democrats have got clear timetables for doing that –
but I would really worry if George Osborne’s plans were realised. There’s a table in the documentation behind the Autumn Statement which suggests that if those plans were realised, we would roughly half the total spending on the home office – i.e. the police - on the defence services – in other words our armed forces would become largely ceremonial. We would be almost halving the spending of local government in areas such as social care which underpin the health service, let alone the kind of stuff that I and my colleagues are doing around training and science. It would be devastating and it would be ideologically driven and I would be very strongly opposed to it.

ANDREW MARR:
So they say your plans would produce chaos. You’d say their plans would be devastating. It doesn’t sound like you’re getting on terribly well.

VINCE CABLE:
Well we do work together on a day to day basis. Naturally the coalition has turned around the country in a remarkably positive way and there is a lot of common ground. We do accept that we have to restructure the economy in a different way. We can’t go along with these short-term credit bubbles. The kind of work, I’m doing which has actually been supported across the coalition, in terms of investing in training and science and manufacturing and boosting exports, this is common ground. It’s also common ground with the Labour Party too - we’ve got to focus on that long-term issue. But there are big differences in the way in which we approach this deficit reduction.

ANDREW MARR:
And that Osborne plan would take us back to public spending at the level of the 1930s and so forth?

VINCE CABLE:
Well that’s why I call it ideological. I mean it actually destroys public services in the way in which we do them and I think a lot of people in this country value public service. Obviously they want it to be efficient and you know we believe that too. And I mean it’s not a question of wasting public money. I mean I head up a very big
government department. We’ve cut our administrative overheads by about 40 per cent, we’ve cut out spending by getting on for 25 per cent. We’ve been tough. But just continuing this, on ideological extreme grounds, is very, very foolish …

**ANDREW MARR:**

*(over)* And yet these plans which you call ideological, devastating, extreme, were signed off by the quad, which includes Danny Alexander and the Liberal Democrat leader Nick Clegg.

**VINCE CABLE:**

No, they were not signed off by the quad. We have a different approach to this problem. Nick and Danny and myself all accept that we have to maintain budget discipline and we’ve got a time plan for doing that within the next parliament. I mean one of our differences with the Labour Party – they don’t have any plans to deal with it. But we’ve committed ourselves to financial discipline and we’ll retain that. It would involve a somewhat different mixture of tax and spending reduction, but we are committed to financial discipline but we’re not veering off to the kind of extreme ideology that the Tories seem to want.

**ANDREW MARR:**

Given what you’re saying about them and what they’re saying about you – and we’ve heard David Cameron boosting the Tory who’s standing against you in your Twickenham seat recently and so forth – is it actually possible for the two of you, as two parties, to form another coalition after the election?

**VINCE CABLE:**

Well …

**ANDREW MARR:**

You’re so divergent.

**VINCE CABLE:**

… as I said, we’ve actually worked well in turning the country round. The way I’ve put it is that while we’ve been in coalition, we’ve kept the Tories on quite a tight leash
and they’ve been you know well behaved in a coalition. But …

ANDREW MARR:

*(over)* They’re very cross about being well behaved.

VINCE CABLE:

*(over)* … but now they’re being let off the leash and confronting the possibility of majority government, we’re getting into all kind of extremes. I mean there was this extraordinary poll this morning which showed that the public perceive the Tories as being to the right of UKIP. I mean this is what happens when they’re removed from the kind of constraints we put on them in coalition.

ANDREW MARR:

There’s another story this morning all over the papers about the complete failure of the air traffic control system to keep the planes flying and so forth. It seems to be a big failure of NATS. Now as business secretary, I wonder what you think about that and whether NATS has serious questions to answer?

VINCE CABLE:

Well I think Patrick McLoughlin, the transport secretary, very sensibly is wanting a report on this. On Monday morning you’ll find out what what’s happened. I think the biggest story behind it is that in agencies like NATS – as in the banks in the private sector – they’ve been skimping on large-scale investment for very many years. I mean it’s often the easy thing to do under financial pressure is to be pennywise and pound foolish and to forego capital investment, so they’ve got very ancient computer systems which then crash. And I think the lesson for the future in both the private and the public sector is we do have to maintain a high level of capital investment. You know I mean the government has to borrow to do it at low interest rates, the private sector has to do it, the banking sector is hopelessly inefficient in many ways in its computing. So that’s the bigger lesson, I think.

ANDREW MARR:

Now one of the other big things that you’re doing as business secretary is trying to get more black and Asian people onto the boards of private companies. Why?
VINCE CABLE:
Well because of the value of diversity in general. I mean one of our success stories has been promoting women on the boards of …

ANDREW MARR:
(over) Except they tend to be non-executive directors, not coming up through the companies with real power.

VINCE CABLE:
(over) Yes they do and that is the next stage. But don’t underestimate what we’ve already achieved as a result of persuasion – not quotas, nothing to do with political correctness – persuading business that it is actually in their interest to have diverse boards. So we will almost certainly meet the target next year for a quarter of all represented women. Every single one …

ANDREW MARR:
Okay …

VINCE CABLE:
… of the FTSE 100 companies now has a woman on the board and we’d like at the end of the …

ANDREW MARR:
(over) How many have got CEOs who are women?

VINCE CABLE:
We’ve got three or four. It’s pitifully, pitifully …

ANDREW MARR:
(over) Two, two in the top 100?

VINCE CABLE:
Yes it’s pitifully small, pitifully small.

**ANDREW MARR:**
Yeah, yeah.

**VINCE CABLE:**
And that is the next step – getting executive women and having a pipeline. So all our policies around shared parental leave are designed to ensure that women do reach the top in terms of executive decision making, but equally our top business positions are under represented by ethnic minorities too and we’d like to have a similar effort on that front.

**ANDREW MARR:**
Finally, we’ve been talking a lot about torture on this programme. Do you think that we need to see former prime ministers, foreign secretaries and so forth up against a public inquiry on oath answering questions about what they did or didn’t know with regard to the CIA?

**VINCE CABLE:**
Well we certainly don’t rule that out. But at the moment we’ve got several inquiries taking place at the same time and you heard from your earlier guests the police are looking at direct involvement. I think the Libya case, the allegations there. There is Sir Malcolm’s committee. I think they’ve got to run their course. If at the end of it, it doesn’t appear that the truth is emerging, that people imagine there’s some kind of cover-up, then of course a judge-led inquiry is the right way to proceed.

**ANDREW MARR:**
But there is a lot of public scepticism, which is why Yvette Cooper for instance was talking about a judge-led public inquiry alongside this.

**VINCE CABLE:**
Well I can see the merit of a judge-led inquiry, but the judge-led inquiry can’t achieve anything if those inquiries – particularly the police inquiries – are still out there hanging because they’re at the stage of allegations which aren’t substantiated. But
let’s not lose the big picture. That the allegations around torture are really appalling and in some cases it may well have involved British personnel either directly or indirectly, and this completely undermines our values as a civilised country apart from the fact that the torture appears to have been totally ineffective. It is an appalling thing for us to have been caught up in and we’ve really got to get to the bottom of it.

ANDREW MARR:
Vince Cable, thank you very much indeed for joining us this morning.

INTERVIEW ENDS