

ANDREW MARR SHOW

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THERESA MAY

AM: Prime Minister, all the great crises of the last week, the extraordinary things that Trump said about Brexit, and the two Cabinet resignations, go right back to one thing that you are responsible for, which is this new White Paper. You have given the country a different way out of Brexit. Can I ask when you started to write the common rule book idea?

TM: We've been looking at this relationship that we want with the European Union in the future for some time. Of course, Andrew. But if I can explain how that's – your question is about –

AM: Specifically about the common rule book.

TM: Your question is how have we got to the point where we've got this White Paper with the common rule book in it. And if I can just set out that background, because I think it's important. What happened earlier this year was I set out – I've been setting out since we, before we triggered Article 50 and since, in speeches an approach. I did that in the Mansion House speech.

AM: But this is not the Mansion House is it?

TM: Well, much of that is actually the Mansion House speech.

AM: But much isn't.

TM: But the, the – what we did was set that out, set out where – an approach that we wanted to take. The response that we have had from the European Union, from the European Commission and the European Union leaders, has been very clear. They have put two options for us on the table. Neither of those options is acceptable, so we had –

AM: So you've done something else.

TM: We've done something else. But can I explain?

AM: I'm sorry, my question is when did you come up with the plan for the common rule book?

TM: This is something that has been in gestation for some time. And the reason it's been there is because we have been talking to

the European Union and they have made clear that what we proposed in Mansion House – this particular aspect – was not negotiable. What they will, what they will, what they –

AM: When did your former Brexit Secretary David Davis know about the common rule book? When did he know?

TM: We have been – I've been talking with David Davis about the approach that we should be taking for some time.

AM: I asked a very specific question: when did he know about the common rule book?

TM: He knew – we have been talking about this for some time.

But Andrew, you haven't allowed me to set out why what the European Commission proposed to us is unacceptable, and I want to do that because it's important. Because we have got to –

AM: But it's gone. It's gone, all of that now, hasn't it? We're in a new place, we're with this.

TM: We're with that, but it's the reason we're with that. And I think a lot of people want to know why it is that we have put this proposal forward. It's because the European Commission's two ideas that they put before us, two proposals, were no good. On the one hand it was what would have been for us a very poor trade deal, and would have kept Northern Ireland in the customs union, effectively carving Northern Ireland out in these terms from the UK. That's unacceptable to any government here in the UK. And on the other hand what they call EEA-plus, which would have meant accepting free movement and accepting being in the customs union. Both of those are unacceptable. They're what people voted against. So faced with that, we had an option. We could go for 'no deal' and of course, you know, 'no deal' is still there, it's still possible. But I think that the best thing for the UK is to have a deal that sets a good relationship with our trading partners in the future. So if we're going to find something that was in Britain's interests, that delivered on the referendum, and that was negotiable, we had to make what is a compromise but is a positive in terms of the benefits that it gives us.

AM: The trouble is that in doing all of this you cut out the man you put in charge of the Brexit negotiations and his department. They were working on a different plan. They had no idea about this common rule book, and you cut them out and therefore he had no option but to resign, and he's clearly very angry about it.

TM: No. I've been very clear that no department was cut out of these discussions. Discussions have been taking place for some considerable time. David Davis himself has been one of those –

AM: I'm sorry, Prime Minister. You can't say to me that David Davis knew about the common rule book, can you?

TM: David Davis – we have been discussing this option. David Davis has been – was discussing with Michel Barnier. Michel Barnier had made clear to him the unnegotiability of the position that we had. So we had a choice. We could have said, 'well let's stick where we are and see what happens,' and risk actually ending up with a chaotic leaving, which I don't think is in people's interests. Or we could have said, 'okay, let's look at moving forward, let's look at an alternative proposal,' which we've put forward. But the benefits that this proposal brings are that it enables us to ensure we have friction-free trade for all those people whose jobs depend on integrated supply chains, on just-in-time processes. This protects those jobs. And on the other side, it enables us to do trade deals around the rest of the world.

AM: I want to come to the reasons why you've done this in a moment, but before I do, there's an awful lot of Conservatives watching this programme, and members of your own party and members of your own government, who think this is a really bad deal, and the reason they think it's a bad deal is that it keeps us far too close to the EU. We've sort of left, we then join round the back door. I mean, Boris Johnson has said, for instance, 'we are truly headed for the status of a colony. By surrendering control over our rule book for goods and agri-foods and much else besides we'll make it much more difficult to do free trade deals.' David Davis, who was in charge of this only a couple of weeks ago

says, 'the common rule book policy hands control of large swathes of our economy to the EU and is certainly not retaining control of our laws in any real sense.' They're right aren't they?

TM: I recognise there are many people – there'll be people watching this programme as there were those millions of people who went out to vote leave who feel really strongly, who feel passionately about this issue, about leaving the European Union. And you know, many people who voted from the heart to leave the European Union. My job as Prime Minister is to deliver for them, but also I've got to be hard-headed and practical about this and do it in a way that ensures we get the best interests for the UK. Now, what this proposal, what this common rule book does is it protects those jobs and livelihoods that do depend on those integrated supply chains, those just-in-time processes. It does deal with the issue of the Northern Ireland and Ireland border. But actually these are rules that if you had, you know, some of our major manufacturers in this studio and asked them, Andrew, they'd say, 'we're going to stay by those rules, we're going to play by those rules anyway.' And that's the point. This is a stable rule book –

AM: The big problem –

TM: A stable rule book that people would be having to deal with, having to play, use anyway, in order to sell their goods to the European Union.

AM: But the problem with the rule book, and that's why David Davis and Boris Johnson, and indeed Donald Trump and Peter Mandelson are so upset with it is that it doesn't allow us to do new trade deals around the world in the same way.

TM: That's wrong, that's wrong.

AM: Well, you say that's wrong –

TM: It does allow us to do new trade deals around the rest of the world.

AM: Paragraph 163. 'In the context of trade negotiations a common rule book for goods would limit the UK's ability to make changes to regulations.' And that is exactly the problem. You say it yourself in your own White Paper.

TM: Yes, there will be regulatory standards, but actually some of these are regulatory standards that we wouldn't want to change anyway, because we've been – and as I've said consistently –

AM: We can't change them.

TM: No, we can change them, but let me go on to –

AM: If the EU agrees.

TM: Let me come on to that. But this fundamental point about regulatory standards, I've said that we want to continue to be a country that has high standards. This is something that's been consistent across government. That we want to continue to have high standards. So you could do trade deals where you tear up all our regulatory standards, but I don't think people actually want us to do that.

AM: Okay, a very simple question –

TM: Can I just – because there was another point to your question which I'd like to answer. But of course in what we're proposing, yes, we say we accept that – we accept those rules. Manufacturers will do it anyway. Yes, we say we accept those rules. But there's a parliamentary lock on that. Parliament would take that decision, and if there are any changes it would be for parliament to decide whether or not they accepted that change.

AM: Okay, let's take an example. So there's a lot of regulations, for instance, in the chemical and pharmaceutical industry, they're changing all the time, they come out of Brussels at great speed. In a few years' time with the common rule book one of those regulations we think is bad for our pharmaceutical industry and therefore parliament votes it down and we come out of that bit, what happens to the common border in Northern Ireland?

TM: Well, the first question would be whether that particular rule was one of those that was covered by the common rule book or not, because the common rule book –

AM: Let's assume it is.

TM: Because the common rule book is a very – it's attached to a very specific area of goods. And we want to –

AM: Let's assume we want to change an EU law basically.

TM: We want to ensure that we are also, on the issue of chemicals, we want to be involved in those agencies that are dealing with these rules so that we're able to continue to have a say in those, a say in those rules. What this does enable us to do is to have that frictionless border. We've made, we've made a commitment to Northern Ireland and we – I know your question was if we want to change a rule, and parliament –

AM: It's fake sovereignty, it's not real sovereignty because parliament knows if it tries to change the common rule book from outside, the border goes back up again, which isn't acceptable to anybody. So in theory we have the ability to change rules, in theory we can go to Brussels and say do you mind if we change these rules, in practise once the common rule book is in place we can't. Not in the real world.

TM: Well, some people have raised this issue about what the parliamentary lock actually means and what power it gives to parliament, and have said that they're worried that parliament would never make decisions like this because of the consequences.

AM: Yes, yes.

TM: Decisions have consequences. Parliament doesn't sit there and make decisions with it not having any impact. So even on, even on changing – if we're changing a rule book, if we're changing an element of a rule book, if the EU says here's a rule on this, manufactured goods, we want to change it in future – hasn't happened actually. This is a stable area of rules. They've been stable for many years now. But if they did say they wanted to change something parliament would know that there would be

a consequence, but parliament would be the body that were making the decision. The EU could not -

AM: That's seems to be theoretical sovereignty, not real sovereignty.

TM: It is real sovereignty. Because what happens today -

AM: Can I ask a very simple question to cut through this, let me try and cut through this. A very, very simple question. Does this common rule book make it harder to strike trade deals around the rest of world or not?

TM: The common rule book enables us to strike trade deals around the rest of the world. When we do those -

AM: Does it make it harder?

TM: No, when we do those - this is a really -

AM: Does it make it harder?

TM: It's a really important issue, Andrew, because what means that sometimes there'll be questions about aspects of trade deals around the world isn't about - it's about the standards that we want to employ here in the United Kingdom, and there are standards that we will abide by here in the United Kingdom actually regardless of whether there's a common rule book with the European Union, and those standards would affect our ability to do trade deals around the rest of the world.

AM: Donald Trump said that this would kill any possibility of a big free trade deal with the United States.

TM: No, I spoke to Donald, I spoke to the President Trump about this and he -

AM: Then he changed his mind again and he said he didn't resign from his original statement and you'd have to do a carve out, carve out was his phrase, from the common rule book. Is that possible? Do you know what that means?

TM: Yes. Well, carve outs are things that are done in trade deals around the world.

AM: So you can carve out part of the common rule book before you've even negotiated it?

TM: If you, if you, so if you do a trade deal with another country and you have in certain areas standards that you want to abide by that they don't, then you can have a carve out within that trade deal. And that's an issue that will be – other countries will want to discuss with us from their terms, that we'll discuss with them in our terms, because this is about the standards that you want to abide by as a country. That's what's really important.

AM: Another area that really worries Conservative MPs at the moment is the sense from this – and again it's in black and white here, that we will be under the influence of the European Court of Justice. It's their case laws, it's their decisions that will govern lots of decisions when it comes to goods and services.

TM: No, we won't be under the jurisdiction of the European -

AM: I didn't say jurisdiction, I said influence.

TM: We won't be under – well, let's look at this point. What happens at the moment is that the European Union law automatically comes into UK law. That won't happen in future. What happens at the moment is that the European Court of Justice has jurisdiction over the UK. That will end in future.

AM: That's true, but -

TM: What happens at the moment, what happens at the moment is that businesses here in the United Kingdom – courts here in the United Kingdom can make references directly to the European Court of Justice. They won't be able to do that in future. Now, what will happen is –

AM: Is that British courts will have to take notice of what the European Court of Justice says, and again I've got it here in black and white at the end of the document. I mean, that is what worries a lot of Conservative MPs.

TM: Well, I'm clear, and what we will deliver is an end to the jurisdiction of the European Court of Justice in the UK. That's what people voted for. What the courts will do is say if there's a case, if there's a dispute about something, then it will be possible, if this is about, you know, if this is an EU law, to say to the

European Court of Justice how do you interpret this, what is your case law, what is your interpretation? And then the UK court will take a decision, they'll hear that and then the UK court will take a decision. So we end the jurisdiction of the European Court in the UK. We enable ourselves to do those trade deals. You were talking about the trade deals. We're going to be able to cut tariffs, we're going to be able change quotas, we're going to be able to have freedom on services, we're going to be able to have bilateral investment deals, this is a good deal for the UK.

AM: We've talked about this for probably longer than most of the British public can bear. But this is not the Mansion House version, this is not the Mansion House vision, this is new. When and why did you change your position on this?

TM: I explained that to you, Andrew. I thought I'd explained it at the beginning. This is most – much of this is indeed Mansion House. It delivers on what was said on Mansion House. In this one area, where – of the question of trading goods in relation to the frictionless border, we needed to make a change, we needed to come forward with another option in order to ensure that we can get those negotiations going on trade. The clock is ticking. But this is a deal that has benefits. Our companies will abide by these rules anyway. Giving them a frictionless border means that the jobs that depend on that frictionless trade will be protected. It means we deliver on the Northern Ireland border. It means that we have got benefits out of this deal. This is a good deal for the UK.

AM: The politics of it now. Isn't the truth that you can now go to Brussels and say, 'look, I have splintered my Cabinet to get this, I've infuriated a lot of people in my own party, I have pushed things as far as they possibly can be pushed. This is as good as it gets. Accept it in total. Don't come back to me and say, "oh no, you must move a little bit further, Prime Minister, when it comes

to immigration,” or whatever it might be. There’s no more concessions, no more changes, no dodging, no weaving.’

TM: We’re going to sit down in the negotiation, but in my view there are certain things that are non-negotiable. It is non-negotiable that free movement will end. We will end free movement. It is non-negotiable that we’re coming out of the customs union so we can have our independent trade policy. We will do that, we’ll come out of the customs union. It’s non-negotiable that the European Court of Justice will no longer have jurisdiction in the United Kingdom.

AM: You’ve kept back on immigration. You’ve kept back the possibility that in these negotiations you could concede that EU citizens would have more right to come and work here than citizens of other non-EU countries, haven’t you?

TM: No. What will happen in the trade agreement, as happens in any trade agreement, is that there is a second that is about mobility and this term has been conflated sometimes with free movement. It’s completely different. What this is about is things like if you know, if you’re the manufacturer of a photocopier and you’ve sold it to somebody in France and you want to maintain – you’ve got to service that photocopier, that sort of movement of an individual to be able to do that will be covered by those mobility provisions. We will come forward with proposals on our rules for people coming to the UK from the European Union. We will be taking back control. They will no longer have the rights they currently have. Free movement will end. And I have to say, Andrew, I think if you’re talking to senior British politicians about anybody who’s got an interest in making sure we control immigration, I’m the one who’s been doing that for the last eight years and making sure that we deliver for the British people on their concerns in this area.

AM: What happens if you take your new proposals to Brussels and they say no?

TM: Well, so far they haven't said no. So far they've said that they were willing to sit down and talk about this and I think we both know that the clock is ticking. But I've always said no deal is better than a bad deal.

AM: All right. Lots of Tory MPs are coming back to Westminster tomorrow morning. A lot of them are unhappy with this and some of them are going to vote against your government when it comes to the trade bill tomorrow and there's a series of important votes. What happens if they bring that trade bill down?

TM: Well if that trade bill – that trade bill is an important part of our no deal preparations. That trade deal is an important part of ensuring that we're able to maintain trade agreements in the future. If we don't see that trade deal through then something like 40 agreements that the EU has with various countries around the world won't be able to be continued when the UK leaves the EU for us as a United Kingdom. So I would just ask people-

AM: Is it back me or sack me at this point?

TM: No, no, what I'm saying Andrew is very simple. And as you might imagine on this particular issue of Europe and Brexit that I have voices from all sides. You know there are hundreds if not thousands of different views that people have about what we should be doing. So some people are saying they want to vote in the trade bill to keep us in the customs union. I say that's not acceptable. That's not what the British people voted for. Others saying well perhaps we cannot have the bill at all. That would be damaging to our no deal preparations. So let's just keep our eyes on the prize here. The prize is delivering leaving the European Union in a way that's in our national interest.

AM: You're not very far away from the 48 letters going in to trigger a leadership campaign, a leadership contest. In those circumstances will you certainly stand?

TM: Well actually the process is slightly different. There's a vote before you go into a leadership contest. What I want to focus people's minds on is how we ensure that we achieve that prize. The benefits of leaving the European Union. That we get a deal that's in our national interest. That does free us up to do those trade deals around the world, which it will do. That we are then able as that independent nation to go out there as the Britain that people want us to be.

AM: And are you going to stand as the Conservative leader if there is a contest, very simply?

TM: I have always said that I am in this for the long term.

AM: Okay. Sorry, we've got a lot more still to do and running out of time, so sorry.

TM: I just wanted to say you know this is important. This is a very complex issue. It is important. What I'm delivering is a deal that's in our national interests that delivers on the referendum and that is negotiable.

AM: You've said, quite rightly, there's lots of voices coming at you from different angles with all sorts of advice. Let's just have one more of those voices, one you might recognise.

Trump: The advice. I did give her a suggestion. I wouldn't say advice. And I think she found it maybe too brutal and that's - because I could see that, but I don't know if you remember what I said, but I did give her a certain amount of - I gave her a

suggestion, not advice. I wouldn't want to give her advice. I'd give her a suggestion. I could fully understand why she thought it was a little bit tough.

AM: Okay, the whole country wants to know, Prime Minister, what was that brutal tough suggestion?

TM: He told me I should sue the EU.

AM: Sue the EU?

TM: Sue the EU. Not go into negotiations, sue them. Actually, no, no.

AM: Do you think about that for a second?

TM: We're going into negotiations with them. But interestingly what the President also said at that press conference was don't walk away. Don't walk away from negotiations 'cause then you're stuck. So I want us to be able to sit down to negotiate the best deal for Britain.

AM: Okay. Now you're a proud feminist. I just wonder what was it like standing with that man and being so close to him for so long over that weekend, given what he has said about women and given how he has behaved in the past. How did that make you feel?

TM: Well I've made clear in the past about my views on the attitude to women. As you say I'm very clear about the way that women should be treated and the respect that women should be given. I was sitting down as a female leader, with the President of the United States talking about issues that are of great importance to the people of the US, the people of the UK. But also actually of great importance around the world. So some of the issues we were discussing about NATO, about foreign policy issues around the world are really important.

AM: I'm trying to talk a little about the chemistry of it all. There's that extraordinary moment when you're coming into the press conference, he grabs you by the hand and kind of pulls you down those stairs. What was going on there? Is there a medical problem with stairs and Donald Trump?

TM: Well, I think what you notice is that whenever he takes me down a slope or stairs and he did it up the steps at Blenheim Palace, he takes my –

AM: He grabs you.

TM: Well he takes my hand to help in going up the steps. Now I think that is -

AM: It makes you look a little bit submissive, that's the trouble.

TM: Oh Andrew, come on. Are you telling me that you have never sort of said to somebody let me go up the –

AM: It's the way he does it. It's the grab. But it's also some of the things that he has said. I mean for instance, all the things that he has said about immigration. I was very interested in what you said about immigration at that press conference because you made it clear we've got a very good record on immigration in this country. But he said for instance that the whole of Europe, civilisation is being affected by all these people coming in and it was going to end badly. What do you think he meant by that?

TM: Well, I don't know. He has his own views on this particular issue. I have different views on this issue.

AM: It sounds quite dark.

TM: Well he – and you know, President Trump talks in – looks at this in a wider sense and talks in these terms. What's important here in the UK is what I and the government feel about this and what the British public feel about this. And yes they want us to control immigration. That's why many people want us to ensure

that we end free movement when we come out of the EU, which we will do, but immigration overall has been good for this country. People have come here –

AM: One last Trump question if I may.

TM: - and contributed to our economy and our society.

AM: One last Trump question. Can you trust a word he says?

TM: I sit down with the President of the United States of America and we come to agreements and we put those into place. And that is - that is part of the very special – the highest degree of special relationship that we have.

AM: Highest of special.

TM: That we have.

AM: Prime Minister, thanks very much indeed for talking to us.

Ends