AM: Can you just start by giving us your assessment of where these negotiations are right now?

CG: We’re actually where I would have expected them to be. Did anybody honestly think we were going to walk into a room with the European Union, shake hands and do a deal in half an hour. You know, these are going to be lengthy negotiations, they’re going to be challenging negotiations. They are seeking to get us to make as large a financial contribution as they can persuade us to. We have worked over the months to set out a whole range of different negotiating approaches. We’ve published position papers, we’ve published strategy papers. But this was always going to be a long and difficult negotiation.

AM: The trouble is an awful lot of people who voted Leave, they weren’t told at the time it was going to be this rough. They were told it was going to be quite easy, and I can remind you of the reasons they might have thought that. So let’s just look at this.

CG: (archive) It’s a nonsense to suggest we can’t do a deal that will carry on allowing us to trade with the EU. I have no doubt at all that we will carry on trading tariff-free and without tariff with the European Union. (end of archive)

AM: Do you still agree with yourself?

CG: I still agree with myself because at the end of this negotiation we are still their largest export market, there are businesses all around continental Europe that depend upon British consumers for their business. So right now –
AM: It’s clearly been hard nonetheless. I mean, the implication was that it was going to be a breeze, it was going to be easy. It’s not easy.

CG: No, nobody’s ever said the negotiation would be straightforward and simple. What I’ve always said is that I absolutely and firmly believe today, as I believed then, that we will end up with a sensible deal, a sensible partnership for the future. But nobody ever thought we were going to have negotiations that would last half an hour.

AM: What will be the consequences for this country if we don’t get a deal?

CG: Well, this country will succeed whatever happens. You know, we have a hugely impressive track record in the world, we trade around the world. Our biggest –

AM: You think it’s perfectly okay.

CG: I think it is better for us to have a good relationship with our neighbours in Europe to carry on trading freely. We are their biggest export market, we do business together. Of course it is better that that is the case, and that’s where I think we’ll get to. But I’m absolutely confident that Britain will succeed come what may.

AM: It’s just that, you know, over the last week or two the government itself, Chancellor, Prime Minister, have started to raise this question of No Deal. And some of your colleagues are quoted saying it’s a 50-50 chance now of No Deal, which is not something that many people expected even a few weeks before. So we seem to be in new territory now. So I ask again what you think the consequences of No Deal would be?
CG: Well, I think Britain will succeed. But I don’t think we’ll get to that position, it’s about the one thing I would agree with John McDonnell. I think we will reach a sensible trading position. But the key point is –

AM: And that’s despite hearing, like Hillary Clinton and Christine Lagarde and many others saying it would be very, very bad for Britain?

CG: Well, it’s bad for the European Union if we don’t have a sensible trading arrangement. Britain will succeed. And there’s nothing new about this. Theresa May back in her speech at Lancaster House earlier this year said no deal is better than a bad deal. And where I fundamentally disagree with John McDonnell, as we heard earlier, him saying we must do a deal in all circumstances. There is no serious business leader in this country who would enter a negotiation on the basis they’d accept the terms regardless of what they are. So of course we have to plan for an option where there is no deal. We don’t expect that, we’re not aiming for it, and I don’t think that’s where we’re going to end up.

AM: It may be, however, where we end up. Let me put to you what Sir Martin Donnelly, who’s permanent secretary at the Department of International Trade and therefore knows about these things said: he said, ‘no deal would mean a huge amount of legal uncertainty, and that’s very bad for businesses, for jobs, for investment in Britain. It would be a very serious outcome.’ The WTO,’ he pointed out, ‘doesn’t cover much in the way of service industries, which accounts for 80 per cent of our economy. And therefore it would be a very serious position for the British economy.’ That’s Sir Martin Donnelly.

CG: Well, I remain absolutely of the view that Britain will succeed come what may. But I also believe we’ll end up with a sensible
agreement with the European Union because it’s in both of our interests that that should happen. But of course we must plan for all eventualities. People would think it was ridiculous if the government wasn’t planning for all eventualities.

AM: So we’re planning for No Deal as one eventuality. What would that do to food prices?

CG: Well, what it would do is that it would mean that producers, supermarkets, bought more at home, that British farmers produced more, that they bought more from around the world. And it would damage French producers and continental producers. You may remember the brouhaha over the Walloon farmers when they were objecting to the Canadian trade deal. I had a look at the time to see who their biggest customer was. Us. We are the biggest customers of the Walloon farmers. They will be damaged if we don’t have a deal.

AM: They will be damaged but also ordinary families in Britain would be damaged. I mean, the head of Sainsbury’s has made that clear. 22 per cent increase, he says, in food prices. Others have said that they will rocket if we have no deal.

CG: Well, what we will do is grow more here and we’ll buy more from around the world. But of course that will mean bad news for continental farmers, and that’s why it won’t happen. Because it’s actually in their interest to reach a deal.

AM: We’ll see. Let’s ask another question about No Deal. What happens to the border in Northern Ireland with no deal. How can you avoid a hard border in Northern Ireland if we don’t do a deal with the EU?

CG: Well, when you talk about a hard border, nobody has any intention whatever of changing the situation that’s existed since
1923 of the Common Travel Area, of people moving freely from Northern Ireland to Southern Ireland and vice versa. That’s simply not going to change. If you’re talking about flows of trade, there is already, for example, a hard border between Norway and Sweden, but actually trucks don’t stop at the border, they move across freely because in today’s world, as we set out in one of our position papers on the Irish border, you can manage trade across borders freely electronically without creating the kind of hard border that people imagine.

AM: So if we come out with no deal at all with the EU there will be an open border with part of the EU and part of the UK?

CG: We have absolutely no intention of ending the situation that’s existed since 1923 of people being able to move freely throughout the whole British Isles.

AM: Let’s turn to another area which is much more in your own purview, your own interest, which is what happens around ports if there is no deal. We have to build big lorry parks and build them quickly. How long does it take to build these lorry parks? And how much does it cost?

CG: Well, of course we already have provision in place for Operation Stack around the port at the moment. We have the whole of Manston airfield available to us to use if Operation Stack is needed when the Channel ports don’t function. We’re now doing detailed work to look at how we take those arrangements forward for 2019 if we need them.

AM: It’s not just those ports, you’re going to have to requisition land around virtually all the ports and create new lorry parks. I just wonder how much time and money you need to do that.
CG: Well, of course the principle flow of lorries is through Dover, almost all the lorry traffic that comes through the UK passes through the port of Dover. Actually if you look at the east coast ports they are mostly container ports and they’re very well equipped and we’ve seen big expansion of our port capacity in recent years, big new facilities on the east coast, on the west coast with the new port at...

AM: We’ve got the time and money to do this have we?

CG: Well, the expansion is happening now. It’s happening because our trade is growing, because our ports are looking to opportunities for the future. We have got contingency plans in place for delays around the lorry ports right now. But what we’re working on is making sure we’ve got developed plans for 2019. We will have those in place.

AM: Alright. One other area, again in your responsibility. Can you tell viewers who might be thinking about booking their holidays after we leave the EU that flights across Europe will carry on in exactly the same way as they do now?

CG: Flights will carry on. Most of the world, planes fly without open skies agreements. There’s nobody around – you know, talk to Willy Walsh, Chief Executive of British Airways, of International Airlines Group, of which British Airways is the parent company, he’ll say to you the planes will carry on flying. Easyjet will tell you the planes will carry on flying.

AM: Michael O’Leary won’t.

CG: Well, Michael O’Leary’s got his own interesting challenges at the moment. Look, Air France and KLM have just spent hundreds of millions of pounds buying a stake in Virgin Atlantic. They would
not have done that if they there was the remotest danger of the planes stopping flying.

AM: So you can promise people that they will be able to book the same kind of flights to different parts of Europe as they are now? I’m not saying at the same price and exactly the same airlines, but basically in the same way?

CG: People will be able to carry on booking their holidays. Does anybody seriously think the Spanish government, which would see hotel bookings collapse in 2019, is going to intervene to stop the planes flying? Of course they’re not.

AM: So you can go ahead with confidence and book, and that means in practice that we would stay presumably members of the European Safety Agency?

CG: I’m of the view that at the end of the negotiations I would expect that to be the case.

AM: You would expect that to be the case? Because that comes under the purview of the European Court of Justice, which I thought you guys were absolutely determined would have no say in British affairs?

CG: Well, it doesn’t really. There isn’t a judicial part of this, it’s a cooperative arrangement. It has countries inside the European Union and countries outside the European Union who participate in it and work together to look after our airline safety. And that’s going to carry on come what may. These things are global, they’re not just European.

AM: You’ll have seen the opinion polls. Your side of the argument on Brexit is losing ground quite fast at the moment. And that is
perhaps because there is such a pessimistic and gloomy view coming from government.

CG: Well, we’re just going to have to make sure we deliver a good outcome, and I’m confident we will.

AM: Do you think fewer Glumbuckets, fewer Eeyores is necessary from the government? You know who I’m talking about.

CG: I think we need to be upbeat about the prospects of the United Kingdom. We need to be realistic about the challenges we face. We need to prepare for challenges. But actually this is a great country, it’s always succeeded in the past and it’s going to succeed in the future.

AM: The Chancellor has said it would be very, very bad for Britain if we have no deal. Do you think, as Richard Tice says, he perhaps needs some happy pills?

CG: Look, the Chancellor and I and the whole Cabinet are united on wanting the best possible deal for Britain.

AM: Really?

CG: Well, yeah. I read the papers and the stories in the papers, you know, I sit round the Cabinet table, the Sunday papers add two and two together and make sixteen. There is a collaborative relationship round the Cabinet. Of course we’re not clones, we have debates and discussions.

AM: You’re certainly not clones, I grant you that.

CG: People don’t want a Cabinet that doesn’t have debates and discussions.
AM: But they also want a Cabinet that feels coherent. You’ve had to withdraw the Withdrawal Bill because of the number of amendments on it, and there’s danger of losing it in the House.

CG: We haven’t withdrawn the Withdrawal Bill.

AM: You’ve pulled it back for a couple of weeks.

CG: It has not been scheduled –

AM: Why is it not on the floor of the House?

CG: It’s not been scheduled for debate yet. It hasn’t been withdrawn.

AM: Why not?

CG: Well, it hasn’t been scheduled for debate because there are a vast number of amendments. The team working on it are going through those to prepare for the debate. We’ll be debating it shortly. I mean, you would expect when you go into a complex debate like this, where you’ve got a whole range of amendments, you’d expect Ministers to do their groundwork and prepare for the debate, and that’s what we’re doing.

AM: Lord Lawson says the Chancellor is engaged in sabotage. Is he wrong?

CG: The Chancellor is a very experienced politician who’s working very hard on both Brexit issues and on the budget that’s to come. I agree with an awful lot with Lord Lawson, on this I don’t actually.

AM: You don’t agree that the Chancellor is sabotaging the process?
CG: No, I don’t.

AM: And you don’t want to see him sacked?

CG: No, the Chancellor, in a month’s time the Chancellor is going to deliver a very important budget for this country, and I’m working with him and we’re all behind him in delivering that.

AM: And when John McDonnell says there is now a majority in the House of Commons to stop you doing no deal, what’s your response to that?

CG: John McDonnell this morning was talking a lot of complete nonsense. Parliament has already voted to leave the European Union, overwhelmingly, including Labour supporters back at the start of this year. What this Bill does is it ensures a smooth transition for our laws so that people can be certain that the law that applies the day before is the law that applies the day after. John McDonnell threatening to derail this Bill is John McDonnell threatening to create the kind of chaotic Brexit he himself is warning against.

AM: And yet it a No Deal is possible, which is not something that was talked about much during the referendum campaign by your side or the other side, frankly, if that possibility happens surely the House of Commons has a legitimate and democratic right to vote on it again.

CG: But the point is we have triggered Article 50. We leave the European Union in March 2019. That’s a legal reality. And so therefore what we’ve all got to do is to get on with the job of making sure we have a smooth process, a good relationship with our European neighbours –

AM: ...advice to show us all surely?
CG: Well, John McDonnell was, as I say, talking a lot of complete nonsense this morning. He was saying –

AM: Time is finally up, I’m so sorry.
(ends)