ANDREW MARR SHOW, 17TH SEPTEMBER, 2017
SIR VINCE CABLE,
LEADER, LIBERAL DEMOCRATS

AM: So your first conference as Leader, Sir Vince. Nonetheless your party is in a pretty wretched state.

VC: No, no, I don’t buy the premise.

AM: Well hold on a second.

VC: No, we’ve had an election which we didn’t achieve what we hope to achieved. We made – no, we’ve got an increased parliamentary party, it’s more diverse. Our membership is absolutely at record levels, we’ve got record numbers of people –

AM: What happened to your vote?

VC: There’s a very positive –

AM: What happened to your vote?

VC: The vote was nothing like as high as it should have been.

AM: Went down, 7.4 percent.

VC: Indeed and my job is to build it back up again and I’ve every confidence in the current political environment that that’s what will happen. I mean you’ve got the Conservative Party now in a state of complete civil war; you’ve got the Labour Party in a state of suppressed civil war and that will break out again once they start deselecting moderate people. And I think people will be looking for a moderate sort of common sense alternative and that’s what we offer.
Nevertheless, your vote has not been this low since 1959, which is a long time ago, it was the year I was born, that’s how long ago it was. You have to find some big new ideas to alert people to your existence really. You have to get some headlines, you have to get some coverage. How are you gonna do that?

VC: Well I think there’s some central issues. One is of course Brexit, the big issue of the day. We’re very clear where we stand. We’re a pro-Remain party. At the end of the negotiations we want to give people a choice. The first referendum on the facts, the knowledge of what’s going to happen and give people the choice of you know, sticking with Brexit, if that’s what they want, or having an exit for Brexit. That’s number one. I think number two is economic competence. I mean, I’ve been in government for five years, we’ve got to address these big economic issues around productivity, industrial strategy, and third we’ve got to address inequality and the massive unfairness particularly between generations. Those are my big themes.

AM: I want to come onto all of this. Let’s start with your ‘exit from Brexit.’ At the moment the economy is doing pretty well and there is a clear majority in the House of Commons for Brexit, Prime Minister got a bigger majority than she expected on the first reading of that Bill and there seems to be no change really in the public mood, if anything the public mood is hardening pro-Brexit. Where do you expect the change of mood to come from?

VC: Well I wouldn’t say the economy’s doing pretty well. It’s not collapsed. It isn’t collapsed but we’re getting –

AM: Investment is up, unemployment is down, employment is up.

VC: Business investment isn’t.

AM: Manufacturing’s going up.
VC: We've had the biggest devaluation since the war –

AM: The pound is up. Sorry.

VC: Which is now feeding through into higher costs, which is one of the reasons we – it’s the cut in real living standards which is fuelling this upsurge of concern about public sector pay. And we’re getting a big exodus of talent. I mean it’s happening every day. I was in my hospital, local hospital a few weeks ago, their biggest crisis now is that their European staff, their nurses are walking away. These are real things and they’re happening now when they haven’t yet left.

AM: Across most of the picture however the economy is doing quite well. Are you not in a difficult position of being invested in economic failure?

VC: No, absolutely not. I mean there are a whole variety of outcomes. You know it’s possible that we could leave the European Union with only a relatively small amount of damage, it’s possible. I don’t think anybody imagines we could be better off by leaving, but they may minimise the damage, but we’ve seen that the government are completely divided as to whether to pursue this kind of soft Brexit option and it probably isn’t on the table anyway. But there are more extreme options where if we finish up crashing out, which I think is where Boris Johnson and his friends are, the economic damage could be enormous.

AM: But that won’t have happened of course by the time it happens. We go out and then you see what happens. Therefore I come back to the real question, how can you possibly have an exit from Brexit? In practical terms I see no way this could possibly happen.
VC: Well the way it would happen is if the government trusts the people to have a choice on the outcome of their negotiations. We will know in 18 months, 2 years much more than we do now about what Brexit actually means. So called hard and so called soft. I mean these are big, big differences to whether it’s an extreme exit or whether it’s more gradually managed. Give the people the choice about that, and exit from Brexit has got to be the option that remains.

AM: You have said several times now that you’d like the people to be given another choice which means a second referendum. First of all do you accept that for there to be a parliamentary stitch up of some kind which stopped us leaving the EU would be democratically indefensible?

VC: No, I think if you’re going to de-legitimise the public vote which we’ve already had I think we’ve got to have another one and I think simply doing it through parliament isn’t going to be adequate. I’m not a fan of referendums, I was critical of it in the first place. We’ve gone down that road and I think the only way to carry the public is to give them another choice once we’ve seen what the facts are.

AM: So when did you change your mind on the second referendum issue?

VC: Well I haven’t changed my mind.

AM: Yes, you have, sorry.

VC: No, no I said after –

AM: I’m so sorry I’ve got to read what you said.
VC: Yes. What I said before was that I think we shouldn't just go back after the second referendum and have another one and revoke. I think I know the quote you're going to produce.

AM: Well, I have to read it out because it's -

VC: What I'm talking about is the future once we know the facts about exit.

AM: Okay. Last year you said, "the public have voted -

VC: They have, yeah.

AM: and I think it's seriously disrespectful and politically utterly counterproductive to say, sorry guys, you got it wrong, let's try again." But that is what you are now proposing.

VC: No, absolutely not. No, what I said I totally defend, absolutely right in that context. We'd had a vote -

AM: But what is a second referendum except - sorry guys, try again?

VC: - a decision had been made, we're not rerunning it. There's a difference between setting out on a journey, which is what that vote was about, and the destination when you know what's going to happen when the negotiations have taken place. The Prime Minister's produced this rather ludicrous anodyne slogan about Brexit means Brexit. It doesn't. We know that there are massive differences of view. The whole point about Boris Johnson’s intervention is that he's got an utterly and completely different view about what Brexit means from the Prime Minister and the rest of the Cabinet. They are different views and once we know what is the outcome that is the point at which you go back to the public. So I'm not at all embarrassed about what I said. It was
absolutely right in the context. We’re talking about the future, a first referendum on the facts.

AM: But the second referendum is your - in your words, sorry guys, let’s try again, isn’t it? I mean it is about ending Brexit otherwise why would you want it?

VC: We want it because we do not yet know what the outcome will be.

AM: You want the people to change their mind.

VC: And we believe the public should have the choice at that point. I honestly don’t know why people are afraid of doing this. I mean if the people in favour of Brexit are so confident of their position they should be perfectly willing to take me on.

AM: The real question of course is who would possibly call this second referendum, because the Conservatives won’t, I should imagine, the Labour Party won’t, I’m sure, so who’s going to call it?

VC: Well there are growing numbers of perfectly respectable people in the Labour Party, the Mayor of London, growing numbers of Labour politicians who think this is a sensible way of doing it.

AM: But they don’t have the authority to call a second referendum, do they?

VC: I suspect that you know given this civil war in the Cabinet and the government there will be quite a lot of people there who would find this a perfectly sensible way of reconciling the irreconcilable when we get to the end of the negotiations.
AM: Okay. You mentioned also economics and sound economics. You were part of the austerity government. Tony Blair said that austerity was the reason that people voted for Brexit in the first place and I wonder whether you think you’re well positioned as it were to get younger voters who have become very, very angry, very disillusioned by austerity have gone over in very large numbers to Jeremy Corbyn’s Labour Party. How could you be the man to win them back?

VC: Well, what you call austerity was the consequences of the collapse of the banking system and the financial crisis. Unsustainable government deficits arose. Whoever was in government was going to have to tackle that problem and do difficult things. And as it happens my own government department, I was there five years, a very big government department, we had to cut our budget by 25%. I know our predecessors were planning to do the same. It was very difficult. I mean I think there are things in government that we should have been doing more of. We should have been doing more public investment, I think we still should be doing that. But –

AM: There are aspects of that government you regret looking back?

VC: There are aspects of economic policy which I argued against internally at the time and I now publicly argued against, but the basic thrust of it which was to put the economy on its feet after the financial crisis and provide stability, which it did, getting the economy back to the economic growth, which it did, getting us back to full employment, which it did. I mean those were positive things.

AM: The other thing that your department did of course was it tripled tuition fees. Now you’ve got a new policy on tuition fees I
think coming out. Can you explain to us exactly what you propose?

VC: Well, I think the starting point is that, you know, my party and all parties have actually let down students. I mean we made a pledge 7 years ago about not increasing them. We went back on it. We lost a lot of support as a result. Jeremy Corbyn’s just made a pledge on wiping out student debt. Had to admit they couldn’t do it.

AM: It wasn’t a pledge actually to be fair to him.

VC: Tories have been through the same journey. We’re all not in a good place on this issue. But what I’ve been doing in my year of exile, I worked with the National Union of Students on how we can address the problems of all young people, not just the 40% who go to university with funding, I’m now asking senior former colleague David Howarth to have a fresh look at how you deal with the student tuition fee issue. The basic principle that we have at the moment –

AM: Is that you want a graduate tax, is that right?

VC: Well that’s certainly a good option, because what happens at the moment is effectively we have a graduate tax. People pay 9p in the pound above 21 thousand income when they’re graduates, but of course people think of it as a debt. And it would make sense, I think, to rationalise that. But I’m looking at all the options.

AM: Is that more than a rebranding of the current system?

VC: Well, the basic principles of the current system have something to commend them which is first of all that you don’t have to pay. I mean it’s not a contractual debt. You only pay if
you're a high earning graduate, it's above 21 thousand. I think that threshold should have been lifted. Universities are properly funded, it's one of the few bits of the broader public sector which has got a decent amount of money and can improve standards and any alternative, including what I believe the Chancellor’s proposing has to meet that test. I mean how do you get money to run a world class university system?

AM: I teased you gently at the beginning of the programme about your assertion that you might be the next prime minister. How would that possibly happen?

VC: I think it’s perfectly plausible actually.

AM: Take us through it.

VC: As leader, as leader of the third UK party my job is to be the alternative Prime Minister. I think British politics is in a remarkable state of flux. I mean you’ve got the Conservative Party now in open civil war, complete breakdown of discipline. You’ve got the Labour Party in a suppressed civil war. I mean they’ve had a good election and Jeremy Corbyn’s currently riding high, but we know under the surface there is enormous discontent about the extreme left. I and my party are the alternative.

AM: So you seriously think you can go from a party that’s getting 7% of the votes to a party that wins an overall majority in a couple of years?

VC: It’s possible that we could break -

AM: It’s very, very unlikely.

VC: we could break through. If British party politics starts to break up, if the traditional structures start to break up, they could well
happen, we’re extremely well positioned with moderate, sensible policies, a good track record of government, we have government experience, good experience at local government level. I think what you may find is that there is a big shift of opinion in our direction. So I’m very confident talking about being an alternative prime minister.

AM: Do you think what’s happened over the last day or two with the Boris Johnson intervention, it’s a very, very robust, very positive, optimistic view of Britain after Brexit, is that the beginning of a break up of this Cabinet?

VC: It’s a terrible situation and it puts Theresa May in an impossible position. I mean I just don’t understand why she hasn’t fired him. I mean it’s like a school that’s completely out of control and the head teacher sitting her office paralysed and impotent. And if you’re Mr Barnier negotiating with this government and you’ve got senior Cabinet Ministers with entirely opposite views of what Britain’s negotiating position should be, I mean what do you do? I mean it is complete and absolute loss of authority and the Prime Minister on Monday morning should fire this guy, otherwise her own credibility is reduced to zero.

AM: Sir Vince Cable, pungent as ever, thank you very much indeed.