ANDREW MARR SHOW
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AM: Is this a slightly different George Osborne than the George Osborne I used to talk to?
GO: Well, I’m learning a lot. I don’t want to trade on my experience of being Chancellor. I don’t want to be 60 or 70 years old talking about what I did when I was 38-39-40 years old. And I’m therefore in the future business. I’m trying to learn as much as possible about the world, get out of the inevitable tunnel you find yourself in when you’re doing one of those top jobs in British politics, and try and understand, not just what I got right, but also what I got wrong.

AM: Well, turning to what you got wrong, as you so helpfully helped me to do, the referendum, above all. Do you have any reflections now on you had all these blood-curdling warnings, the punishment budget, the economic bomb under the economy and so forth. 800,000 jobs going in two years. And people did not believe you and they did not listen to you. Why do you think that was?
GO: Well look, of course people in the end chose by a majority, a small majority, to leave the EU. And I have to respect that. And I also have to therefore accept that the campaign we fought was the wrong campaign, it didn’t work, it didn’t persuade people, which is after all the purpose of a campaign. And I think if anything maybe, you know, we lacked some of the authenticity, some of the optimism of the Leave campaign. I think we discovered there was not much out there in terms of support for European friendship, and so we ended up talking a lot about the economy – and as Chancellor, of course I was centre stage in that. Because of the economic risks that we saw and others saw in leaving the EU.

AM: So perhaps Project Fear was a mistake?
GO: Well, that’s your characterisation. I would say we ended up talking about the economy because other things that we might have wanted to talk about, like the fact that it’s good for Britain to get on with its European neighbours, that it’s good to be part of a multilateral rules-based system, that it’s good for Britain to try and shape world events, all those arguments – and I’m not saying we can’t try and do those things out of the EU, although I think it’ll be more difficult – all those arguments really were falling on deaf ears, and so the economic arguments came to the fore in the campaign. But I’m the first to say it didn’t work. Which is why I’m here and I’m not the Chancellor of the Exchequer.

AM: Did you think all the way through it might not work? Because it was reported in a book that when David Cameron came to you and said, ‘I’ve got this great idea for a European referendum,’ you said, ‘well that’ll mean two things: one we’ll lose it, and two, we’ll destroy the Tory Party.’ Did you say that?
GO: Well, look, I wasn't a great fan of having a referendum, but I'm also a team player. And I think politics is at its most successful when you're a team. And do you know, one of the things that I can look back on is a very happy time in Downing Street because I worked very closely with people like David and others to try and achieve things and turn around this country. Once we were in the referendum, I did everything I could to win it. And I was not going to try and sit it out, I felt, you know, it was an important enough issue about the future of country, I felt strongly about it, that I was prepared to do what I knew I was doing at the time, which was damaging my reputation with fellow Conservatives who didn't agree with me, because in the end, you know, what is the point of doing those sorts of jobs if you're not fighting for what you think is right?

AM: But you also damaged your reputation because what you were saying at the time turned out not to be true. We didn't have a huge recession immediately after the vote, we didn't have the punishment budget, we haven't lost all those jobs. In fact, the economy is going quite well. Do you now look forward at the possibility of Brexit being quite good for us economically?

GO: Well look, I certainly hope that the predictions that I made and others made before the referendum turn out not to be true over the medium term. I sweated blood to turn the British economy round, I'm incredibly proud that we got all these people into work and that we made Britain the fastest-growing economy in the west. But let's wait and see what happens. You know, the pound fell sharply, and we're not going to pretend any more that that doesn't mean the pound in your pocket isn't worth any less. Britain is poorer as a result. And all of the forecasts, including the government's own independent forecasts, show the economy is going to slow next year. But I'm interested in the future, and what the future tells you at the moment, and what financial markets tell you today, is that every time they think Britain is going to have a less close relationship with our trading partners in Europe, every time there's a hint from the government or a government minister says something like that, then the pound falls and in effect the world is betting against Britain. And every time you have thoughtful contributions from members of the government saying, 'well, actually we need some kind of transition, we do need to have something more than the World Trade Organisation rules,’ every time you hear something like that, then the world bets on Britain. So, you know, we're well placed to make a great success of this century. We've got a very competitive economy, we've got really successful entrepreneurial businesses, we've got a great workforce, let's make sure we have close trading relationships with our key neighbours outside the EU – we're leaving the EU, but that doesn’t mean we are leaving the trading arrangements that have sustained this country for centuries.
Because you mentioned the fact that it was a close result, and the 48 per cent, the question really is what is the role of the 48 per cent in what happens now? Do they still have a voice in the way that we leave the EU? Do you have views about how we should get out which, as it were, might tend more towards the soft side of the spectrum?

Well, I don’t think we can go on thinking about the 48 and the 52 even though I was in the 48 per cent. You know, we’re 100 per cent, we’re part of 100 per cent of the people who live in this country. The referendum has happened, we’re leaving the EU. Of course the question on the ballot paper was, ‘do you want to leave the EU?’ It was not about the new arrangement we have with the rest of Europe. And I am certainly someone who believes that it is in Britain’s national interest, our economic interest, our security interest, that we have the closest possible relations with key partners of ours: like the French and the Germans and the Dutch, who whether we like it or not are going to remain our geographical neighbours for time immemorial. We can’t tow ourselves out in the middle of the Atlantic. We have to make this relationship work.

Does that mean you think we should say, for instance, in the European Economic Area, and/or the customs union?

Well, I think when we come to these key questions, the customs union, the single market, the EEA, there are a variety of arrangements we can have. And other countries, from Switzerland to Norway to Turkey, have different relationships with the EU. We should do this on the basis of a hard-headed assessment of what is in our national and economic interest. So yes, it’s true that the grass may be greener outside of those arrangements and we may be able to conduct new free trade deals with Australia and the United States and so on, but that shouldn’t come at a price of giving up the existing free trade arrangements we have with Germany and France.

And you think we can keep those?

Well, that’s where I would be starting from. I mean, you can’t say we’re a beacon of free trade in the world and then the main thing you achieve is a huge act of protectionism, the biggest in British history. You know, we have to understand that whilst I’m a massive fan of trade deals with Australia, I want to do trade deals with China – quite controversial in this country, and will prove to be so, many of these trade deals when they come to parliament. But there’s no point saying you want all of that trade but you don’t want to do the trade we already do with countries like Germany and France, which of course are absolutely central trading partners of ours.

And do you think the House of Commons should be able to look at the detail of whatever deal we do as we leave the EU in
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time? In other words, not at the last minute, but before that is finally agreed?

GO: I have to say, personally I think it’s all a bit of a odd debate at the moment. I mean, we live in a parliamentary democracy. Theresa May is the Prime Minister because Conservative MPs, myself included in her case, chose her to be the Prime Minister. And of course parliament is going to have to be central to these discussions because our government comes out of parliament. Now, that doesn’t mean that the executive shouldn’t show a lead, that we don’t expect and would like our government to show that lead, and I think they can. But in the end all of these things are going to be debated in parliament, whether government likes it or not, because in our system parliament can itself insist on debating things next week, next month, next year.

AM: So we are going to get proper Brexit debates in the House of Commons in 2017?

GO: Well, I think we are. In fact, the Brexit debates have started in the House of Commons, and, you know, they’re already proving that the Members of Parliament do want to have a say in these things and that government is going to have to listen to parliament.

AM: And to do that do you think we need to see a proper plan from the government before Article 50 is triggered?

GO: Well, the government have now promised that plan, partly because of parliamentary pressure, and you know, what you need is that realistic assessment. So let’s take the example of the customs union. Okay, if we leave the customs union we can do our own trade deals, that’s the argument. So let’s have an assessment of what those trade deals might be, how much do they bring? How realistic is it that we can pass them through parliament, for example? – in return for what we lose from leaving the customs union. I want to see those assessments. I’m very open-minded –

AM: A pretty detailed plan.

GO: I’m very open-minded myself about what these best arrangements are for Britain. I am a passionate believer in free trade, free markets and access to a global trading system. But let’s stop having assertion and let’s, as we move into 2017, start getting into a real debate about the numbers and the arrangements that best suit Britain. Because ultimately this is not about parliament, it’s about people’s job, the factories, the services that people provide in this country so successfully.

AM: Just on the services, as Chancellor of the Exchequer you saw the tax revenue that came in from the City and the service sector,
how worried are you about the future of the City post the EU relationship?

GO: Well, the first thing, it’s not just the City. You know, in Britain’s ten largest cities financial services is the biggest employer. And two thirds of all the jobs in financial services are outside London. It’s massively important to our country, and you already have, for example, Lloyds of London, for the first time in its 300-year history, saying it’s going to have a European operation. You had my successor, excellent Chancellor in Philip Hammond, being told in Japan that Japanese banks are concerned. So the decisions we take about our financial services arrangements will have a material effect on the prosperity of this country and I think we can do a deal where we are the financial services centre of Europe, because in my view the jobs will not simply go to Dublin or Frankfurt, they’re much more likely, in my view, to go to New York if we get this wrong.

AM: If we have to compromise, for instance on free movement of people to get that deal, is that worth doing?

GO: Well, I would not go into this negotiation necessarily drawing red lines. You know, I would say let’s go – we are leaving the EU, that’s the only red line I’d draw. Let’s go in there and try and get the best deal for Britain, address people’s concerns about immigration, which I think are around the fact that people come here and don’t work or they don’t assimilate into our society. Sajid Javid’s got a great initiative today in that respect. That people see the borders aren’t secure and there are migrants jumping out of lorries at Calais and at Dover and so on. There are concerns about immigration which can be addressed, but let us not throw out the baby with the bathwater, and let’s not lose the massive contribution that immigrants have made over many centuries and continue to make to Britain’s prosperity and society.

AM: You’ve talked quite candidly about making mistakes in office and how it’s difficult to row back from something you have said. Surely the tens of thousands promise on migration was the biggest single one of those?

GO: Well, I think in the end setting a target that we were unable to hit obviously damaged us in the referendum, because we didn’t really have an answer on programmes like this to, ‘you’ve set this target and how are you going to achieve it? You’ve tried all the other levers that you can pull.’ I think the problem with any target is, you know, within it are all sorts of different types of migrants. There are people who are coming permanently for reasons, for example, to be with their family but they make not make a big economic contribution to the country. And they’re coming to be with us for the rest of their lives. There are also students who turn up, they’re only there for two or three years, and education is one of our biggest export industries and I think it’s one of Britain’s
biggest success stories in the world and it creates links around the world of affection for Britain.

AM: Should they be counted in the figures?

GO: Well, when I was the Chancellor I thought it was not sensible to include them in the figures. But you know, that’s got to be a collective decision.

AM: Two other very quick ones. Once we get this deal, whatever kind of deal we eventually get, passporting, all the rest of it, or not, do you think that should be put to the country in a second referendum?

GO: Well, I don’t think we should –

AM: No is the answer.

GO: No is the answer. The first referendum was enough for me, thank you.

AM: One other question, just about you yourself. I guess your lowest moment probably was being booed at the paralympic games. Did that really hurt?

GO: Well, yeah, partly because my children were actually in the audience at the time. But it also made me think again as Chancellor that you can’t just hunker down in your bunker, you have to go out there and understand the country you’re trying to govern. And that’s what I’m trying to do now, whether it’s with the northern powerhouse work that I’m doing, whether it’s travelling to these cities to understand why people feel the system’s not working, and try and understand how actually the politics in our country is shifting. And so you know, of course when you’re Chancellor of the Exchequer you take difficult decisions and you have to live with them and people judge you by them, but sometimes those moments do help change you for the better.

AM: And do you want to, as it were, re-launch yourself – you’re very welcome here, but you’re on the wrong show, and I wonder whether the makers of Strictly have been in touch yet?

GO: Well, this is one thing where Ed Balls is definitely better than me. So.. I watched it last night actually with my daughter and ...

AM: Have you been asked to go on?

GO: I’m sure I have, but I have turned it down. By the way, it’s a brilliant piece of television and a great success story and well done Ore.

AM: But it won’t be feature George Osborne?

GO: It will not be featuring George Osborne.

(ends)
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