

ANDREW MARR SHOW

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IAIN DUNCAN SMITH

AM: Iain Duncan Smith's resignation from the Cabinet on Friday night was high drama indeed. No one seems to have seen it coming, least of all the Prime Minister, who said he was puzzled and disappointed, and apparently said many other things as well. So what was the background to Mr Duncan Smith's unexpected move? We can find out now from the man himself. Good morning to you.

IDS: Good morning, Andrew.

AM: Before we go into the detail of this particular argument, can I ask about your general view of what's happened? Do you think the disability cuts in the context of the tax cuts as well are simply immoral?

IDS: I think actually what we have here is a proposal which we put out as a consultation last year to look at a problem that had come about through, without getting too complicated, court cases and other judgements that had made some changes to this. That consultation was, I always felt, to be part of a much wider programme that would look at and consult further on bigger changes that bring into line the present disability benefit, PIP, and other things like social care and healthcare, which are all fractured. I wanted to look at it as a wider change that got the money that was necessary and the support, practical support for those most in need. And that –

AM: Without being talked about, being consulted on, and what happened next?

IDS: Well, my concern was that what happened directly after the Christmas period was that pressure began to grow because this pressure was about the budget, and that the problem over the revised figures for the budget. And what worried and concerned me was we then came under pressure to put the consultation and

respond to it before the budget, and I'd always hoped we would do this after the budget, so as not to get caught up with the budget, but be able to make the point this should be part of a process of looking at how better we can aid those most in need. And that pressure really was to get out a definitive answer on the consultation. There were lots of arguments and debates about that. Downing Street, and the Treasury wanted the full extensive set of changes, we argued first of all for no change at this point, and then to ensure that if we did, we wanted a smaller level of change, but most importantly to continue the dialogue and not have this as a fixed point and thing that we were going to do absolutely.

AM: And the difference between pre-budget and after budget, was you knew perfectly well there would be a figure attached to it, so you'd be stung for 1.4, in this case 1.4 billion pounds of savings, and you didn't want to be in that position. Is that right?

IDS: Again, as you said, not to get too detailed about this, but I simply say that the problem was the institution of a welfare cap which was lowered directly after the last election pretty arbitrarily. And that meant that everything we were doing put us above the line essentially, as you saw, tax credit changes put us above the line in costs, and this was meant to go above the line because of the changes. Now, my point really was we shouldn't be debating that in the context of just being above a welfare cap, which is an arbitrary position. We should be discussing it in terms of how could we get the best aid to those who most need it, and then work from there as to how those changes came. And rushing that before the budget, which is genuinely what I felt we were under massive pressure to do, I felt only risked linking this to the budget, which it was not part of, and it should not have been part of, and that in turn made it juxtaposed, and I didn't at that stage know anything about tax reductions and so on.

AM: So, this is interesting, because your critics in government say two things: first of all, this was your scheme, the PIPs was your idea, and indeed revising it was your idea, and you defended it

right up to the last minute. You sat through the Cabinet on the budget and didn't say anything about it. Didn't raise the problem then.

IDS: Can I deal with this?

AM: Well...yes, come on. And then you didn't go and see the Prime Minister, and then as late as Friday morning your department were briefing, as it were, in favour of the change that you have resigned over.

IDS: Let me just deal with all of that first of all. You are, you know – let me go right back to the time of the election. After the election last year I took a decision – these are decisions you take - if you're going to join government you have to balance whether or not you can make changes, you can do what you hope to do, on balance you'll have to compromise, but do those compromises benefit or damage society? I have been passionate about the issue of social justice, I set up a Centre for Social Justice years ago. I have campaigned to make sure that there's a Conservative way delivering help and support to those who are most in need, not just through money, but through a whole variety of other ways of getting people back into work. My problem throughout this last period didn't start last week or the week before. Through the debates and the disputes that I've had on tax credits, on the cutting away and eroding of universal credits allowances, and then the big assault on the taper. What is the taper? It helps people move on up the hours, it would benefit people enormously going back to work.

AM: So it's a long-running thing.

IDS: This has been a long-running problem where I felt really semi-detached in a sense, isolated more often in these debates, because I'm not able to be able to convince people that what we were losing progressively, and this was my worry, was the narrative that the Conservative Party was this one nation party, caring about those who don't even necessarily vote for it, who may never vote for it. That is my problem. And this process –

AM: I suppose it's a double ... you went along with all those cuts and then in the key Cabinet meeting you didn't say anything.

IDS: Well, I actually thought last year about resigning, I think that actually got into the papers as well, over this attack on universal credit. And again I balanced this and said I will continue because we can continue to make these arguments. What happened in the run-up to this was I progressively got more and more depressed about the idea that we were running to an arbitrary budget agenda which had a welfare cap in it. And although when people – and I've heard one or two people try and allege certain things about me – let me just say something about this, it's quite important. I sat silently at eight o'clock in the morning of the budget presentation because I then realised the full state of what was actually happening with regards to both the tax cuts and this juxtaposed budget.

AM: It was putting the two together that really got to you.

IDS: It was the juxtaposing at that point that made me really go away – I didn't actually, by the way, come in for the budget, so those pictures are of an old budget. I didn't come in for the budget, I had to attend a funeral. But it gave me time to think about this, and I thought long and hard and I then agreed – tried to agree with Downing Street that what we would put out is a wider statement that stopped meaning it was a set in concrete proposal, that we would consult more and continue to consult. But even with that, which is the point of the statement that I put out, the dear colleague, was to say no, no, don't worry, we're going to continue consulting.

AM: This is the letter you wrote after the budget.

IDS: Well this is the dear colleague letter, I tried to get to the colleagues saying, no it's not what it sounds like in the budget, it's not to do with the budget, it's different. I put this dear colleague out saying it's a wider consultation, there are facts and issues here but there are wider consequences. What I realised as I ran through Thursday and Friday was that it was no way that I – what I'd hoped for was I'd be able to stop this process and get this

wide debate, and I felt that I was losing that, and by Friday – this is really important for me – by Friday I'd really decided that it was just impossible. And this idea, somehow, by the way, that's put about that why do that when government policy is changing –

AM: I was just about to ask you that very thing.

IDS: Well, can I just say in answer to that, first of all it is a very peculiar way to try and set policy against a media agenda where you start Friday morning absolutely apparently saying to everybody you must go out and defend it, and then by Friday evening you're drifting away from it, and then later on Friday evening somehow you say we've kicked it into the long grass. The money required from the Department for Work and Pensions still sits in the red book. It will be a requirement that will bear down on working age benefits and that is the problem that I have. And in my letter I was clear about this, which is the reason why I resigned. Collectively over that period I had come to believe that we had begun to lose our sense that we – if we really want to do this so that all people bear this and those who can't bear the least of the burden, then we are beginning to lose that message. And that was my concern, it wasn't about Friday night or Wednesday, it was a collective sense that from the last election we had begun to abandon that position and I felt that would narrow us, and the party that I love dearly and serve – and the country that I love – would not benefit from that. I want us to be in government but to govern for all the people all of the time.

AM: Now, in very, very clear, sort of simple terms, that's why I asked you at the beginning, do you think this is an unfair or immoral situation? Because you're cutting taxes for the better off at the same time as you're cutting benefits for disabled people. Do you think that's unfair?

IDS: Juxtaposed as it is – as it came through in the budget, that is deeply unfair and was perceived to be unfair. And that unfairness is damaging to the government, it's damaging to the party, and it's actually damaging to the public. You know, I am in politics

genuinely – I am passionate, you know, whatever – people can disagree with me about issues, about my own policies and things, but as just been said earlier on, I am passionate about trying to improve the quality of life for those in difficult circumstances. Now, I want to do that and I want my party to do that. But I felt that I'm losing my ability to influence that, and that was where the culmination of all of this came to by Friday. And I had consulted with everybody and I had talked to them all and I felt that I was not getting that message across.

AM: Iain Duncan Smith, do you understand that among a lot of disabled campaigners and so forth there will be a certain amount of hollow laughter, because they still see you as the man that supported things like the benefits cap, that supported the bedroom tax, that supported lots of things which have caused real hardship to people at the bottom of the heap? They see you as the bad guy. They find it hard to see you as the great reformer and champion of disability rights.

IDS: Well, all I would say is behind the scenes we have spent a lot trying to even out and smooth out those proposals and policies. You know, for example, discretionary housing payments massively increased at my request and demand from the Treasury, so that people who had difficult problems, local authorities would be able to give them much more money and support them. You know, we did exempt disability benefits, we actually did not - we let them rise.

AM: The whole ESA row, for instance.

IDS: Yeah, but the ESA row was a row to do with that run-in that I'm talking about from the budget period onwards, about this desperate search for savings. And my concern about all of this is that we don't want to lose sight of this, there are reforms that are important and good.

AM: To be very clear, were you against what happened on ESA?

IDS: No, my sense about what ESA was about was actually saying, look, we want more people to be in the support group,

which is where they are protected and supported properly with higher levels of money and not to be languishing in a demi-section of the benefit unable therefore to either go to work or to be fully supported. And I've argued for a White Paper to look at getting rid of this binary system that says you're either too sick to work or you can work. I want people, if they can work, no matter what their condition, to work. And that was the proposed changes I wanted to bring forward. And this year, which is what I was planning to do.

AM: Do you think a fairer overall government would have taken some of the benefits away from richer pensioners, might not have done the triple lock, in order to avoid these kind of cuts?

IDS: Andrew, my concern, as I said in the letter, as I said, absolutely, it's all about how we are perceived and how that balance is right. My problem –

AM: It's not just perceived. It is what you actually do.

IDS: No, no. But, it is important how people perceive that balance to be, and then in application how that balance of change is made. And my deep concern has been that this very limited, narrow attack on what is working age benefits means that we simply don't get that balance. We lose the balance of the generations. You know, we have a triple lock on pensions, which I was proud to do, you know, six years ago. But, you know, with inflation running at zero, we really need to look at things like this and ask do we just keep saying it's working age that bear the brunt? And the one point I want to say is, you know, we've taken – will have taken by 1920 (sic) against the 2010 estimate £33 billion a year out of working age benefits. My argument now is we can't go on doing that.

AM: It's too far now, it's gone too far?

IDS: I think it's going too far.

AM: It's the straw that broke your back.

IDS: Exactly, the problem I face is – and my care for my countrymen and women leads me to believe - I am resigning because I want my government to think again about this and get

back to that position that I believe, which is about being a one nation. This is not some secondary attempt to attack the Prime Minister or about Europe. It's nothing to do with that at all. If I wanted to do that I would have been clear. I've never, ever hidden my views about something, and I'm not doing it now. I am genuinely, genuinely concerned.

AM: Did he call you hypocritical and something worse in those conversations?

IDS: Look, you know, there are only two people engaged in this conversation, Andrew, and I'm always intrigued when others who weren't actually engaged in those conversations seem to know what happened. My sense about this is it was robust, we had a long set of conversations, I listened to him, I acted on what he asked me to do, to think about things, and I reached, finally, the conclusion that I just simply couldn't stay. But, as I've made clear in the letter, I am proud to have served with the Prime Minister, I'm proud of what we've achieved in the last five to six years. But my sense is now that I believe I am losing that ability to influence events from inside to change the direction again so that we become, as we should be, a one nation party that cares about even those who don't vote for us.

AM: Let me pick you up directly on that. In your letter you say, 'I'm unable to watch passively whilst certain policies are enacted in order to meet the fiscal self-imposed restraints,' that you think are more distinctively political than good for the country. Those fiscal restraints, what are they? Are you saying there that you are against the benefit, the welfare cap?

IDS: Yes. In short. My concern has grown partly because when the welfare cap was brought in it had larger margins and it allowed much more flexibility. After the last election what really troubled me was arbitrarily that welfare cap was lowered, which put us under enormous pressure just to meet the cap, let alone the changes and the cuts that were expected from us in the £12 billion.

AM: What about the general policy of ending this parliament with a surplus, which is the overarching thing behind all of this I suppose.

IDS: Look, the Chancellor has to make his position clear about what he thinks the economy should be doing. I am a big supporter of the fact that if you don't eradicate the deficit, of course the people that suffer most are those on the lowest incomes. And the things we were doing to raise taxation, you know, thresholds for those on the lowest incomes I'm very supportive of. But the truth is yes, we need to get the deficit down, but we need to make sure we widen the scope of where we look to get that deficit down and not just narrow it down on working age benefits. And there's a reason for that, because otherwise it just looks like we see this as a pot of money that it doesn't matter because they don't vote for us, and that's my concern. They are people who I want to get into work, and we've done a lot to get them into work to change their lives, and I'm passionate that we do that.

AM: So your case is that the Chancellor is wrong on his overall welfare cap. He's wrong on where he's attributing the pain, he's been protecting, as it were, better off voters at the expense of people who are more vulnerable. These are a series of body blows to the Chancellor. Can I put it to you, you just don't like him, he doesn't like you, this has been simmering for years and years and years, there are people saying – you heard them earlier on, this is the beginning of a coup against George Osborne and David Cameron.

IDS: First of all this is not personal. I know people may think it's personal because when you resign it's personal. It's not personal. Listen, I am genuinely frustrated – I have no personal ambitions, Andrew. I have absolutely no personal ambitions. If I never go back into government again then I will not cry about that. That is not my ambition. I only came into this government – and let me be clear about this – I came into this government because I cared about welfare reform. I'd spent 8 years with the Centre for Social

Justice, which I set up, talking to charities and small community groups, trying to figure out why certain communities were so badly off and how could we get them back to work and how could we solve their problems. So everything that I have done has been driven by my desire to improve the quality of life for the worst off. We can debate my policies, we can argue about them, but my motivation has always been about that. And my motive now, without any question in my mind, is that I am concerned that this government that I want to succeed, is actually not able to do the kind of things that it should because it has become too focused on narrowly getting the deficit down without being able to say where that should fall other than simply on those who I think progressively can less afford to have that fall on them.

AM: And in the context of this failed conversation, as it were, inside government, the impression is given that things are run entirely by the Treasury and by Number 10. Jacob Rees-Mogg has effectively said that Cabinet government needs to be re-established. Do you think there is a functional problem? I think someone's called them Ant and Dec running the country and the rest of you, as it were, squeezed out?

IDS: Well I do think, genuinely, that there needs to be a greater kind of colligate sense to the way decisions are made. I mean, we just come back to what we were talking about with this benefit changing literally by hour. You know, I wasn't consulted on the Friday about those changes. I didn't know anything about them until media started ringing me up and telling me. This is not the way to do government. All I'm simply saying is look, I want the Chancellor and the Prime Minister to succeed. I want them to succeed because Britain needs them to succeed. We need to get that deficit down but we need to get welfare reform going. I simply say to them –

AM: But you're saying also they need to change direction and change the way they run government in order to succeed?

IDS: Look. I think that what is - in my letter and what I'm trying to say today is, and to colleagues - don't doubt my motive on this. You know I am not about seeing the Prime Minister depart. I genuinely am not, because if there was a vote on it tomorrow I would vote for him and I want the team to succeed as a one nation team. As a team that I came to join believing that social justice was right at the heart of what they did. We can debate how that's delivered but we shouldn't debate the fact that what we should be trying to do is not keep baring down on the same group of people, widen that and talk about sharing that burden a bit more and making sure therefore that the reform process can take place without being hamstrung through demands for short term savings all the time when things don't go right according to the forecast.

AM: Do you think George Osborne would make a good Prime Minister?

IDS: Sorry, I missed that question.

AM: Do you think George Osborne would make a good Prime Minister?

IDS: I think certainly, that if he was to stand and he was selected by the electorate, which is not just me, there's everybody else, that I would hope that he would. But I think the same for almost anybody else. I have no view about anybody to be Prime Minister because the Prime Minister is there at the moment and I have a high regard for him. I may - I can understand people may not think that but my view is the present Prime Minister has done a very good job, but I believe they're losing sight of the direction of the travel that they should be in.

AM: To be absolutely clear, all those people who say, you know, in the end there is a move against Cameron and Osborne by Eurosceptic ministers who are using this opportunity when the party seems a bit fragmented and in trouble to mount a thing

against him and that, you know, Boris Johnson is there in the background. You're saying all of that is piffle?

IDS: It's all nonsense, and it's nonsense in what I am about. Let me just say one very brief thing to you. I served in the Army because I care about my country and I care about the people who live here and I came into politics because I care about my country and I care about the people who live here. I do not have political ambition. I would not stand for leader, I would not support somebody who stands for leader at the moment, I am supportive of the Prime Minister. I care for one thing and one thing only. It is that the people that don't get the choices that my children get are left behind. I do not want them left behind. I want them given that opportunity, and everything I've tried to do has been about that. Yes, we can debate some of those things that people didn't like because they're more about the deficit than about welfare reform, but over-archingly what I am passionate about is getting that reform done so society is reformed, so that we have more of those people who've been left behind brought back into the sphere and the arena where we play daily but they do not. That is what I am about and what I have been concerned about, and raised this time and again, is that we are beginning to lose that focus and I cannot do this from inside. That is my frustration. I believe I have to step out. It's not easy. It's painful to resign. I don't want to resign, but I'm resigning because I think it's the only way I can do this and I don't want –

AM: Because, and I come right back to the beginning of our conversation, because what is happening at the moment is immoral?

IDS: I think it is in danger of drifting in a direction that divides society rather than unites it. And that I think is unfair. I'm not in the business of morality and everything else, because I leave that to churchmen. I simply say that as far as I'm concerned the risk is there. We're not there yet, but I want to change that. I resigned, I've cleared away my career, whatever it was, I never thought

much about a career and I've said I would rather campaign to change that. I want the Prime Minister and I want the Chancellor to continue to do that but to do it for the right reasons. Those are my passionate cares.

AM: Iain Duncan Smith, thank you very much indeed for joining us today. Nothing quiet about that.

Ends