ANDREW MARR, 20\textsuperscript{TH} NOV.

McDONNELL AND HAMMOND ON SOFA

AM: Can I just start by asking you Mr Hammond about Miss Fernandes, your MP colleague who is leading this charge by Conservatives, including former Cabinet Ministers for what they call ‘a clean Brexit.’ This is something that your party now wants. What’s the problem with it?

PH: What’s the problem with constraining the Prime Minister is that we give away our negotiating cards before we’ve even started the negotiation. I believe that the best way to support Theresa May to get the best possible deal for Britain is to let her go into these negotiations with maximum flexibility to play her hand carefully and to come out with the best possible deal for Britain.

AM: So these Tory MPs making noises off should back off and shut up?

PH: Well I’d urge my colleagues to give the Prime Minister the flexibility she needs to get the best deal for Britain in what will be a very complex negotiation.

JM: I don’t think this is about negotiations with the Europeans. I think this is about negotiations within your own party and I think all we were asking for is what is the vision? Where do you want to arrive at? What is the objective? And you don’t seem to say. I listened to the interview, it’s about as clear as mud. Even your own side are now saying tell us where we’re going. It is about giving away your negotiating tactics.

AM: Or to put it more gently, when will we know?

JM: When will we know?
PH: This is a negotiation. We know where we want to end up.

JM: Well tell us.

PH: We want to end up with the best possible access to European markets for British firms, to products of British workers and we want to -

JM: So is that tariff free access to the single market?

PH: We want European workers and European firms to have continued access to the UK’s market. And I’m not going to set out any red lines around that. I’m prepared to see a wide ranging discussion as we look at how to create –

JM: That’s why you’re having the rows within your own party.

PH: - a bespoke solution that will deliver the best possible outcome.

AM: You’re not going to get an answer. Let me ask you about something else we discussed earlier on which is the benefit cuts area. I now I know that you don’t want to give a statement ahead of the Autumn statement, nevertheless, it would be a big, big blow to a lot of people who have been told by your government that they are the main priority if you didn’t do something.

JM: Are you going to change direction?

PH: Well, Andrew, we’ve had to make some very difficult decisions to deal with the huge legacy that we’ve inherited from Labour. A massive deficit, over 10 per cent of our GDP. And over the last 30 years our in work benefits system costs have spiralled out of
control. They’ve tripled over that period in real terms and welfare spending –

JM: 'Cause wages have been so low.

PH: - welfare spending has had to take – play a part in the fiscal consolidation, along with all other areas of government spending. We made a manifesto commitment to reduce welfare spending by £12 billion. We’ve made a commitment since that we will not take any further measures to reduce welfare over and above those that have already been announced.

JM: This is money come out of the pockets of (people) doing everything asked of them. Trying to get work, or in work, looking after their children, contributing to society. I’ll just ask you this question. Will you change direction, because if you reverse the cuts to Universal Credits in full and the cuts, the £30 week a cut to ESA, Employment Support for disabled people, you’ll have my support.

PH: John, what I have not heard from you is where you would get the money from to do all these easy options.

JM: I’d stop the tax giveaways to the rich.

PH: All these easy options that you talk about.

JM: Well let me tell you. I’d stop the tax giveaways on for example Capital Gains Tax. I’d stop the tax giveaways to corporations. Look, tell me now and we will support you.

PH: We now have the top 10 per cent of tax payers making a higher contribution to taxation than they did at any time under the last Labour government.
JM: Let me tell, the IFS said that top 10% - actually the bottom 10% have 25 times been hit harder than that top 10%. That’s the IFS. So on this one give us the assurance and you’ll have our support.

PH: I’ll tell you what I will not do. I will not make Britain an unattractive place for businesses to invest, for businesses to start up and grow –

JM: You’re cutting benefits to people in work! These are people who working to make our economy well.

AM: But given the figures that you’ve been saying, why is it that he is trusted much more than you guys are over the economy? Why do you think that’s happening?

JM: It’s been consistently those percentage figures in the polls have been consistent since 2008 because Labour were in government when the crashed happened and we haven’t recovered from them.

AM People think you spent too much then.

JM: Well we’re overcoming that argument and we will. But look, whatever the discussion is about opinion polls the actual benefit cuts to people in work and disabled people is more important than party political points. We will support you if you reverse it.

PH: John, we’ve heard all this stuff from Labour before and we know where this approach gets us. We saw it in 2008.

JM: This is not party politics. We can have a bipartisan approach on this. You don’t have to harm these people who are working hard to get by. You don’t have to harm disabled people.
PH: It’s easy to sit on the sofa and pretend there are no difficult decisions to be made.

JM: I know they’re difficult decisions, but on the backs of these people.

AM: A word of advice from both of you to Boris Johnson about the Customs Union comment. A very quick word of advice to the Foreign Secretary about his comments about leaving the Customs Union. Helpful or not helpful?

PH: We haven’t yet decided on a Customs Union. That would be one of the issues that’s in play in the negotiations.

JM: Hatley’s advice to his ministers, ‘a period of silence would be very gratefully received.’

AM: Well many people will think the same about the entire programme, but for now thank you both very much indeed.

Ends