ANDREW MARR:  
Now the Prime Minister faces an insurgency over Europe both inside the Conservative Party and from UKIP. The real question for millions of voters is whether they can trust David Cameron to negotiate a transformed relationship within the EU and give Britain a referendum. What exactly are his demands? Are they realistic? And is this, as he says, “one last chance for our European future”? Good morning, Prime Minister.

DAVID CAMERON:  
Good morning.

ANDREW MARR:  
Let’s talk largely, if you don’t mind, today about Europe since it is the big issue in front of people’s minds at the moment. First of all, can you give me a cast iron guarantee that a David Cameron led government will give Britain an in/out referendum within two years?

DAVID CAMERON:  
Yes absolutely, we will hold that referendum by the end of 2017. It will be a
referendum on an in/out basis: do we stay in a reformed European Union or do we leave? And I’ve said very clearly that whatever the outcome of the next election – and of course I want an overall majority and I’m hoping and believing I can win an overall majority – people should be in no doubt I will not become Prime Minister unless I can guarantee that we will hold that referendum.

ANDREW MARR:
Well that’s very interesting because if, for instance, the Conservatives were the largest party with a minority, that suggests you would not then be Prime Minister because you couldn’t guarantee that referendum if you didn’t have a majority of House of Commons seats?

DAVID CAMERON:
I couldn’t answer the question more clearly: I won’t become Prime Minister unless I can guarantee that that in/out referendum will be held.

ANDREW MARR:
Right.

DAVID CAMERON:
And there’s a good reason for this.

ANDREW MARR:
(over) David Cameron won’t lead a minority Conservative Government after the next election?

DAVID CAMERON:
Well I’ve answered the question. There’s a very good reason for this, which is the British public you know have not had a say since 1975 and yet we’ve had the Maastricht Treaty, the Lisbon Treaty, the Nice Treaty, the Amsterdam Treaty. You cannot hold people in an organisation against their will and it’s right to have this renegotiation, to have this referendum, and to let the people have their say. I think it’s right though to have the renegotiation first. There are changes we can make to this organisation to improve it and improve our membership of it. And I think that’s
what’s striking about these European Elections – is there is only one party that actually has a plan to change Europe and allow people to have a say.

ANDREW MARR:
And it’s not UKIP. Okay …

DAVID CAMERON:
(over) Well UKIP can’t give you a referendum …

ANDREW MARR:
(over) I’ll come to UKIP in a second.

DAVID CAMERON:
… Labour and the Liberal Democrats don’t want to give you a referendum. It’s only the Conservatives that can and will give you a referendum.

ANDREW MARR:
Now you know “this organisation”, as you described the EU very well, you know how negotiations can drag on and drag on and drag on. You’re not going to be sucked into a position where you come back in 2017 and say, “I know I promised you a referendum, but we’re not there yet. You’re going to have to wait for another year” or …?

DAVID CAMERON:
No, no, we have the referendum whether or not I have successfully negotiated. Now I believe I will be successful and for a couple of very good reasons. First of all, others in Europe need change to the European Union. The Eurozone, the euro currency needs change because it needs a banking union and it needs more fiscal union, and so we’re perfectly legitimate to ask for our changes. And you’ve already seen other leaders in Europe – including, for instance, Chancellor Merkel in Germany – not rejecting out of hand what Britain is saying, but saying yes we can discuss these issues and let’s see what we can do. So I think the reception from European leaders for what I’ve said, also the reception amongst business leaders – many of whom are very keen we stay in a reformed Europe – has been very positive.
ANDREW MARR:
And looking ahead in your forward diary, Smythson diary I hope, have you got a date in 2017 when you hope that referendum will take place? Do you know when it’s going to happen?

DAVID CAMERON:
No I haven’t, but it will be before the end of 2017.

ANDREW MARR:
So some time in the autumn of 2017 then?

DAVID CAMERON:
It could be. I think the negotiation as I say that I’m aiming to undertake will be successful. We’re very clear about what we want to achieve. Let’s end benefit tourism in Europe.

ANDREW MARR:
(over) Right, excellent, I want to come onto this right now.

DAVID CAMERON:
Let’s make sure that the single market is properly safeguarded. Let’s make sure that parliaments can get together and block unwelcome proposals from the European Commission. Let’s make a series of changes to make Europe more flexible, more competitive. These are the sorts of things that I want to see. I’ve set them out in a number of different places. We achieve those negotiation changes. Perhaps the most important is getting Britain out of the clause that says the European Union must be committed to an ever closer union.

ANDREW MARR:
(over) Closer union.

DAVID CAMERON:
I don’t accept that. I don’t think the British people want to accept that.

**ANDREW MARR:**
*(over)* I’d like … I really want to come back to this in just a second, but I want to be very clear that if you have this negotiation and you don’t get what you want, you will lead your party into that referendum saying we have to leave Europe, it’s no longer worth it?

**DAVID CAMERON:**
Well I am confident …

**ANDREW MARR:**
You won’t sit on the fence?

**DAVID CAMERON:**
No I am confident that I will achieve the objectives I’ve set out and I think the right way to go into a negotiation is with confidence …

**ANDREW MARR:**
*(over)* Is confidence.

**DAVID CAMERON:**
… and a positive nature that you can get those changes, and I want to see Britain stay in a reformed European Union. Look I …

**ANDREW MARR:**
*(over)* But we’re not going to have a referendum where David Cameron is washing his hands about the result?

**DAVID CAMERON:**
No, no, we’ll have a referendum where I’ll be recommending look I’ve got these changes. I believe we should stay in this reformed organisation …

**ANDREW MARR:**
Or possibly “I haven’t got these changes” because you can’t be sure, you can’t know?

DAVID CAMERON:
Look …

ANDREW MARR:
(over) You want to make them.

DAVID CAMERON:
… I’m someone who has a very positive, optimistic plan for this country. We have turned round and are turning round Britain’s economy. We’ve got one and a half million more people in work. We’ve cut our deficit. Britain is growing faster than any other G7 country this year, faster even than America. We’ve shown we can make changes and I am tremendously upbeat, bullish and optimistic about what Britain can achieve in terms of our economy and also about our place in Europe. We have a plan and I think that is the most important thing in politics – is to show to people you have a clear plan for the economy, for our country, for our future, for our living standards – and that is what we’re going to do.

ANDREW MARR:
(over) One last … one last very gentle, very polite go. In that referendum, you will tell people to vote yes or no; you won’t sit on the fence?

DAVID CAMERON:
No, no, of course I won’t sit on the fence.

ANDREW MARR:
Right, okay. Will the cabinet have a free vote, can I ask, in the Conservative Party?

DAVID CAMERON:
The whole of my government, well the Conservative half of my government – more than half – the Conservatives in government are all committed to this plan for a renegotiation and a referendum and we are all convinced that it is possible to achieve
these changes. We’re going for those changes and we’ll act on that basis.

ANDREW MARR:  
Let’s talk about those changes then. You mentioned right at the beginning the importance of getting out of the clause, about an ever closer union, which of course in the Treaty of Rome says “of peoples”, it doesn’t say an ever closer union of parliaments or governments. That is the original founding Treaty of Rome which created the whole thing. Do you really think you can rip that up and start again? Do you think your colleagues in the European Union will allow that to happen?

DAVID CAMERON:  
Well I think it’s essential that that doesn’t apply to Britain, that the treaties make clear it doesn’t apply to Britain, because I think if you go back this is part of a whole …

ANDREW MARR:  
(over) So you could have an addendum to the Treaty of Rome saying this clause no longer applies to Britain?

DAVID CAMERON:  
Some of the things I’m calling for will require treaty change and …

ANDREW MARR:  
(over) And that will be one of them?

DAVID CAMERON:  
… that is one of them. And I think why this is so important is there is a sense in our country, which I understand and in many ways share, that we wanted to be part of a single market, we wanted to be part of an organisation where nation states cooperate. We did not want to be part of a country called Europe …

ANDREW MARR:  
(over) … political union. I understand that, absolutely.
DAVID CAMERON:
(over) … our country is the United Kingdom. And so I think this is … it’s not just symbolic because actually the concept of ever closer union informs so much of what the European Union does.

ANDREW MARR:
It’s that magnetic pull to the centre. Okay, can I …

DAVID CAMERON:
(over) But again this is a very optimistic outlook because you know UKIP are saying put up the barriers, we can’t succeed and compete in the modern world, let’s give up on Europe altogether. Labour and the Liberals seem to me basically to be saying there’s not really anything wrong with Europe. (Marr tries to interject) We are the only party with a very clear …

ANDREW MARR:
(over) Now you’ll be surprised to hear that I’d like to talk about your views more.

DAVID CAMERON:
(over) Yeah, absolutely …

ANDREW MARR:
(over) Okay, well let’s move on.

DAVID CAMERON:
(over) … and a plan perhaps to sort this out.

ANDREW MARR:
You also mentioned an end to benefit tourism. Now the EU has more or less accepted a three month moratorium on people coming into this country before they can claim benefits. Organisations like Migration Watch have said no, no, no, five years before people can claim benefits if they’re coming to this country. Is that the kind of thing in concrete terms that you want when you say “I want an end to benefit tourism”?
DAVID CAMERON:
I think there are two parts to this. One is we need to make sure that the freedom to move to work is about that – it’s to go and get a job, not to claim – and so I would like to see longer periods in terms of before you’re allowed to claim any benefits.

ANDREW MARR:
How much longer?

DAVID CAMERON:
Well let’s look at what is possible, but certainly longer than what we have today.

ANDREW MARR:
Several years?

DAVID CAMERON:
Longer than what we have today. But there’s another very important element to this, which is today if you travel and work from another European country into Britain, you can then claim child benefit and other benefits for your family back at home even though actually they’re not living in the UK and going to UK schools and all the rest of it. And under the current rules, it seems extremely difficult, if not impossible, to change that. Now I haven’t met anybody who thinks this is sensible …

ANDREW MARR
(over) That is a big demand.

DAVID CAMERON:
… so that is again a really big change …

ANDREW MARR:
But on the general principle of the free movement of people - Nigel Farage talking about four hundred million people could come here after your job and all the rest of it – you have no proposals to end the free movement of people?

DAVID CAMERON:
I think free movement within the European Union is important, but it needs to be returned to the original concept, which was the freedom to be able to go and work in another country. Now many British citizens go and work in other European countries. Other European citizens come to work here. Freedom to apply for a job to go and work in another country, that is one thing, but I think what we’ve seen recently is something else.

ANDREW MARR:
So free movement of people would stay after the referendum in the way that you’ve described it. Let me turn to something else which is related to that, which is the expansion of the EU because the borders are always moving east, and Britain has been among the countries for instance supporting the accession of Turkey to the EU. Now you want longer transitional controls, but, as the name suggests, they are just transitional controls. So David Cameron could negotiate this deal successfully, have a successful referendum, and then a few years down the line we could have everybody currently working in Turkey free to come and work here.

DAVID CAMERON:
Well I’ve argued very clearly that we need longer transitional controls and possibly transitional controls agreed on a totally different basis. You get these big migratory flows when you have countries with very different levels of income, so the massive move that there was from Poland and the other countries that joined in 2004 …

ANDREW MARR:
(over) And including Bulgaria and Romania.

DAVID CAMERON:
… was based on the fact that the income levels were so different. So you could have transitional controls that say, for instance, you don’t have the freedom to move and get a job in another country until, say, your level of income per capita is at a certain level. Now that would be a way of avoiding some of the difficulties we’ve had in the past. Again you know …

ANDREW MARR:
Do you think that’s sellable?

**DAVID CAMERON:**
Yes I think it is because all future accessions, new countries joining the European Union, they have to be agreed by unanimity, so you have a block, you have a very clear say about that issue. And again you know I am I think quite rightly responding to what has happened in Europe in recent years.

**ANDREW MARR:**
Sure.

**DAVID CAMERON:**
You know the fact that after 2004 you know about a million people move from parts of Eastern Europe to Britain – I think net now about 700,000 – that has changed our country, it’s changed our political culture, and it’s right that politicians and prime ministers …

**ANDREW MARR:**
For better or for worse?

**DAVID CAMERON:**
I think a lot of the people who’ve come have contributed a huge amount in terms of working in our economy, but I think it’s absolutely right to grip this issue and have a plan for sorting it out. Let me make one last point because I think again this is something that the Conservatives and I totally understand and I think the other parties are forgetting. Immigration policy is meaningless on its own. It’s got to be accompanied by welfare reform, so it pays for people in our own country to work rather than not to work, and it’s got to be accompanied by very robust educational reform, so actually we’re producing from our schools and colleges people who’ve got all of the skills necessary to compete in today’s world. And what you can see with this government is a long-term economic plan that includes schools and skills being the best in Europe for our young people and also a welfare revolution in fact which is about …
ANDREW MARR:
(over) Which is tougher?

DAVID CAMERON:
Well it is, I mean it already is. We have …

ANDREW MARR:
(over) I know.

DAVID CAMERON:
(over) … we are seeing … Some people would say tough, but actually there’s a very compassionate side to it. We’re seeing at the moment around a hundred people every week coming off benefits and into work simply because of the welfare cap, because the welfare cap is working in terms of encouraging people to go out to work and to help provide stability and security …

ANDREW MARR:
(over) Okay, I’d love to talk about welfare, but today I want to try and concentrate on Europe if you don’t mind.

DAVID CAMERON:
Yeah.

ANDREW MARR:
There’s two other things that I remember from your list. One I thought was just complete straw man. You said you don’t want Britain to be forced to join the Euro. After the Maastricht Treaty, there is no way that Britain’s going to be forced to join the Euro. That is a straw man, isn’t it?

DAVID CAMERON:
Well you don’t …

ANDREW MARR:
Good rhetorical position, but …
DAVID CAMERON:
I see it in these European Council meetings with my twenty-seven fellow heads of state and government and I’ve lost count of the times that it is stated by one or other member, or indeed by the European Commission, that the Euro is the currency of the European Union. And I keep saying you know it is for some of you, it isn’t for some of us; and Britain under my … if I’m Prime Minister will never join the Euro. We should keep the pound as our currency. It gives us flexibility. It’s in our national interest. And I think it’s really important as the Eurozone changes and has new rules and regulations and the rest of it, we absolutely make clear that you can be a full member of the European Union with all of your rights but not in the Eurozone and the single market needs to be properly protected.

ANDREW MARR:
Right.

DAVID CAMERON:
So this is actually again not a straw man. Very important.

ANDREW MARR:
What about Britain’s contributions? You said you want them to come down. They’re nine billion a year roughly speaking. But you’ve done a deal until 2020. You’re not going to try and unpick that, are you? Or are you?

DAVID CAMERON:
No, we’ve done an excellent deal. And again when people say to me are you confident you can get these changes? I say look people said you’d never cut the budget. I cut it by £8 billion for British taxpayers. People said you’ll never get powers back from Europe. I’ve got us out of those Eurozone bailout funds. People said oh you’ll never really veto a treaty. I did veto a treaty. So people can see a track record of getting changes in Europe.

ANDREW MARR:
(over) Okay, so beyond the track …
DAVID CAMERON:
(over) I just want to make sure …

ANDREW MARR:
(over) … beyond the track record, what are the red lines on contributions? Where do you want … where do you intend to get to?

DAVID CAMERON:
Well we want to embed and pass this budget deal that was agreed. Interestingly UKIP MPs in the European Parliament voted against it. And it is important for people to understand of course elections are an opportunity to register a message or a protest, but we are looking at sending men and women to the European Parliament to stand up for this country and that’s why I want people to send Conservatives there. But I want to make sure that as …

ANDREW MARR:
(over) You mentioned a new parliamentary veto, so I’m running through the list.

DAVID CAMERON:
Yeah sure.

ANDREW MARR:
A new parliamentary veto. That would apply to all parliaments able to veto any European Commission proposals?

DAVID CAMERON:
No what this is is what’s known as the red card system where European national parliaments can club together and say about a particular new proposal we don’t want that, we don’t want this.

ANDREW MARR:
So the British Parliament still have to get support from the Bundestag or the French Parliament or whatever?
DAVID CAMERON:
Well national parliaments working together and we’ll have to work out the exact numbers that would be required in order to block new proposals to change the balance of power in Europe.

ANDREW MARR:
Is there anything major from what we’ve talked about that is missing? Is there anything else on your agenda for these negotiations?

DAVID CAMERON:
Well I think there are other things like, for instance, the Working Time Directive where we have managed to stop some of the worst parts of it, but it’s still an area which I think needs extra safeguards and extra work. So there are things like that as well.

ANDREW MARR:
A lot of European colleagues will say well why should there be an uneven playing field on these kind of matters? You know this is meant to be an even playing field inside the EU. The Working Time Directive is part of that. You can unpick this, you can unpick that, but this is going too far.

DAVID CAMERON:
Well I think for two good reasons. First of all, as I’ve said, the Eurozone countries, they need change and Britain is happy to agree to that change as long as we can make these broader changes to the European Union as well. And the second reason is that Britain does actually bring a huge amount to the European Union. We are a big free trading economy with links all over the world. When we’re discussing, whether it’s the Ukraine or the future of Burma, Britain has got great interest, great strength, great power that it brings to those discussions. So I think that people recognise – as Barosso said last week …

ANDREW MARR:
Yes indeed.
DAVID CAMERON:
… that Britain does have some special cases that it wants to bring to the table.

ANDREW MARR:
Okay. I think there will be a lot of people watching this who will say yes, okay, well let him have a go, let him try and negotiate all of that, but in the meantime I need to keep my foot as it were on the Prime Minister’s neck. I need to vote UKIP purely to put pressure on him. That is a completely logical and reasonable thing to do, isn’t it?

DAVID CAMERON:
Well it isn’t because what we need in Europe is a strong Conservative Prime Minister backed by a team of strong Conservative MEPs, Members of the European Parliament in Brussels and Strasbourg, that then will be taken seriously by our European partners. The problem with sending Labour and Liberal Democrat MEPs is they don’t want any change. The problem with sending UKIP MEPs is they often don’t turn up, as I’ve just explained. They then vote the wrong way on things like the budget and they’re not taken seriously by other countries and the European Commission. So if you want change, you need to vote for the change, and I’ve got this clear plan for change that I believe I can deliver.

ANDREW MARR:
Talking about change and power, if you decided that the Pfizer bid for AstraZeneca was not in the interests of this country, could you stop it?

DAVID CAMERON:
Well, first of all, I would speak out very clearly. I mean I think the right thing to do is to engage early on, get stuck in with these companies - as I’ve done and my team of ministers have done – to make sure we get good guarantees and the best deal for Britain.

ANDREW MARR:
Which you haven’t yet?

DAVID CAMERON:
Well I think we’ve made some very good progress. I mean I think frankly, Andrew, it’s been instructive how different politicians have reacted. As soon as I heard this was happening, I asked the cabinet secretary, other ministers to engage with AstraZeneca and to engage with Pfizer, and the list of things Pfizer have already said they would do …

ANDREW MARR:
(over) You would engage more closely with Pfizer?

DAVID CAMERON:
Absolutely.

ANDREW MARR:
And includes ex friends of yours who are working for Pfizer and AstraZeneca.

DAVID CAMERON:
(over) No, no. No, no, that’s not the case. Ministers were talking to AstraZeneca before anyone spoke to Pfizer, so that is not the case.

ANDREW MARR:
Okay.

DAVID CAMERON:
You know don’t underestimate the power of some of the things they’ve already said about making sure, for instance, 20 per cent of their R&D jobs will be here in the UK.

ANDREW MARR:
(over) You remember what Kraft said before Cadbury….

DAVID CAMERON:
Now I want more. Absolutely, I want more. But it’s very interesting, isn’t it, that the Labour Leader’s reaction on being asked to engage with Pfizer was to say no, I’m too busy because he wanted …
ANDREW MARR:
Okay, I …

DAVID CAMERON:
It’s very important, this. He wanted …

ANDREW MARR:
Can you …

DAVID CAMERON:
… to stand on the sidelines and make a series of point scoring, political points, rather than engaging in the national interest.

ANDREW MARR:
Well he’s against the bid and a lot of people looking at Pfizer’s record will say and a good thing too. They are a praying mantis. They will dismantle this company, which is very, very important to Britain. As Prime Minister, you ought to be able to stop it. You can’t stop it because you haven’t got a public interest defence at the moment. Can you put one in? Why not put one in, into law?

DAVID CAMERON:
Well we are looking … The Business Secretary said specifically he’s looking at this issue of public interest defence and he will report back to Parliament on that. But it is worth …

ANDREW MARR:
(over) Are you open-minded about toughening up the law on this?

DAVID CAMERON:
I’m always op… I will do whatever is right for Britain. I will always stand up for British jobs, British interests, British science, British R&D. But when we think of that, it is important to make this point, which is Britain benefits massively by being an economy that is open to overseas investment.
ANDREW MARR:
Understood, yes.

DAVID CAMERON:
I mean think of Jaguar Land Rover, bought by the Indians. Jaguar Land Rover has created nine thousand jobs in the West Midlands since I’ve been Prime Minister.

ANDREW MARR:
Okay.

DAVID CAMERON:
Think of companies like AstraZeneca that have benefited massively by being able to go into other countries and invest and take over and run businesses. So don’t think there is some kind of put up the drawbridge, pull up the …

ANDREW MARR:
(over) Still on … Sorry, still on the subject of efficiency and so forth, there have been proposals – including from Boris Johnson – for a change in the law on public sector strikes to raise the bar for the number of people actually voting.

DAVID CAMERON:
Yeah.

ANDREW MARR:
Is this something that you’re attracted by and will do something about?

DAVID CAMERON:
Yes, I think in these essential services like the London Underground, the pain caused to people trying to get to work and trying to help their families by these strikes, which are often supported by a relatively small percentage of people who work for London Underground, I think is hugely damaging. So I think the time has come for setting thresholds in strike ballots in essential services. It’s not something I can achieve in a coalition government…
ANDREW MARR
(Over) It is something for your manifesto….

DAVID CAMERON
It is something that will be in our manifesto.

ANDREW MARR
Very good. Now there has been a huge row this morning in the papers between Michael Gove and his Liberal Democrat colleagues over free school budgets and so forth. Is this a serious matter? Is the Coalition going through a really, really bad four year itch now? That’s what it looks like…

DAVID CAMERON
No…look the coalition works well at delivering the long term economic plan, the changes I’ve spoken about this morning and on education I’m happy to be judged on the record of what we have done. 250,000 fewer children in failing schools, more qualified, highly qualified teachers going into our schools, a real war on raising standards and attainment that you can see right across the pitch. On the specific issue of this story we are actually spending five billion pounds on new school places. That’s twice what Labour spent in the previous four years and also these new free schools….

ANDREW MARR
(Over) How do you feel about a senior cabinet minister dissing Mr Gove, one of your colleagues and friends?

DAVID CAMERON
Well, look you get this sort of stuff in the papers and the best thing to do in my job is to get on with actually delivering what matters which are good schools for our children. But, let me make this point which I think has been lost.

ANDREW MARR
(Over) I’m afraid…

DAVID CAMERON
Free schools are new schools in the state sector and there an excellent innovation. Two thirds of the first free schools got good or excellent ratings from OFSTED which is actually better than their equivalent schools.

ANDREW MARR
I’m sorry, we have to leave it there. Thank you very much indeed for joining us.

INTERVIEW ENDS