AM: Are you really relaxed about no deal?
DR: Well, look, we’re obviously aiming to get the very best deal we can on trade, security and all of those other areas. We’ve made really good progress this week, and as you know, I’ve been out to see Michel Barnier, and I’ll go out again next week. So those negotiations are going and that’s what we’re planning for. But I think any responsible government would have to make sure you’ve got the planning and the preparations in place in the event of the negotiations not reaching a positive outcome, and that’s what we’re doing.

AM: So a lot of people watching will be thinking, well, ‘what does that mean?’ Can I just show you first of all a graph produced by the IMF about the effect of a WTO rules exit or no deal, as it were, on different European economies? Here it is. And so there we get the Finnish are barely affected, all these European economies see a decline in their GDP. Everybody does. Except for Britain and Ireland where it’s a really dramatic decline. Ireland falls by nearly four per cent and we fall by four per cent. Looking at that kind of graph, do you accept that analysis by the IMF?

DR: Well, there’s been all sorts of analysis done. The Bank of England has produced an analysis which showed that it wouldn’t be the best outcome for either side, but it would in a material way aspects, be worse for the EU side. But let’s just be very clear about this. I’m striving every sinew, with our department, with Michel Barnier, who I think is a man that wants to do a deal with us – tremendous pressures on his side - to get the best deal. But we’ve got to – I think it’s only the responsible thing to do – to be prepared if those negotiations and the energy and the ambition and the pragmatism we’ve shown are not reciprocated. So that’s
the responsible thing to do whether it’s the allocation of money, preparation of our treaty relations – we’re hiring extra border staff – and I think people need to know that actually we’re ready so that Britain can thrive whatever happens.

AM: So that’s what I want to ask you about. Can I ask about the situation, for instance, of the 300,000 British citizens living at the moment in Spain? The week after a no deal situation what would be their legal position?

DR: Well, as I said to you before, we’ve got the position in place with the EU, and actually on the withdrawal agreement, which deals with the rights of EU nationals here, UK expats abroad, we’ve come to an agreement on all of that.

AM: But the withdrawal agreement falls under these circumstances.

DR: No, it does. But actually there’s quite a lot of preparation and planning that’s been in place. We’ve got clear options. We will not do anything which will create insecurity and we’ll do everything we can to mitigate the potential disruption, and what we’re going to be doing over the summer, which is I think new, and over the following months, is releasing a series of technical notices which, for both businesses, but also some of the citizens, including those that you mentioned, be very clear about what they should do and what we’re doing on their behalf.

AM: Because if I were a British pensioner living in the south of Spain, for instance, at the moment and wondering and worrying about what might happen in these circumstances, I read from the European Commission this week, ‘there would be no specific arrangement in place for EU citizens in the UK, or for UK citizens in the EU.’ And I think that sounds very worrying. What is my, you know, legal and political position?
DR: Well, I think that’s a rather irresponsible thing to be coming from the other side. We ought to be trying to reassure citizens on the continent and also here.

AM: Why is it irresponsible?

DR: Well, I think they’re trying to – in lots of different ways. And of course neither the Commission nor the EU as a whole speaks with one voice. But there’s obviously an attempt to try and ramp up the pressure, and that’s fine. Forgive me if I don’t keep a laser-like focus on the substance. Now, can I just give you the three things that we’ve done this week which are positive, because they did –

AM: I’m going to come back to no deal in a second.

DR: No, no, let – we should do, but let’s keep at the forefront what we wish to achieve, what we’re striving to achieve. Two bits of legislation on trade and customs went through the House of Commons this week amidst all of the din. I’ve been out to see Michel Barnier and to take stock. We’ve got 80 per cent of the withdrawal agreement settled now. So that’s good progress, and I’m going back out on Thursday, because on the future relationship and our White Paper we’ve got a principled, ambitious, pragmatic plan, and actually they’ve got questions on it, and I’m sure you’ll want to pick up on some of those.

AM: There’s lots of things to talk about there.

DR: But actually if it’s reciprocated, the energy that we’re going to bring to these negotiations, the ambition and the pragmatism, we get a deal done in October.

AM: If, if, if.

DR: Sure. It’s a negotiation.

AM: Sure. That’s why I’m sticking with do deal, because for a lot of people that does seem a perfectly possible thing, as I said at the front of the programme, in front of our noses. What about all those citizens of other European countries who are living amongst
us now, working in hospitals, working in schools, working in businesses, driving vans and so forth, our neighbours who are amongst us now? After a no deal exit what would their legal position be in Britain?

DR: Well, we want to strive with the EU to make sure we settle this issue. It’s already been agreed as part of the withdrawal agreement. But you’re right, there’s no deal until we have the whole deal. But the prospect of us not moving swiftly to secure their legal position or that there will be people being removed from this country, I think is far-fetched, fanciful and would not happen.

AM: They can be secure. Can I ask about the open skies agreement, another thing that people worry about a lot, because we have this EU-US open skies agreement. With no deal we fall out of that.

DR: Yes.

AM: That does mean that the planes can’t carry on flying in at the moment doesn’t it?

DR: I think we would resolve that issue. And of course we –

AM: We’d have to do our own deal with the US wouldn’t we?

DR: Well, we want to make sure that inherit the – and I talked about the no deal planning we’re doing on treaty relations and international relations – we want to make sure we follow those agreements that the EU has signed up to and that we’ve signed up to as part of that as best we can. We’d want to make sure we’re dealing with the operational aspects of that, of course. And as I said, we’re going to start – you’re right to say that as October becomes closer we’re going to be engaging with the public more clearly about all of that preparation. What I’m not going to do, because we’ve got a very structured way with the technical notes we’re doing, is giving you our positions in advance. Not least - not least – because what I’m focused relentlessly and unflinchingly is on getting the deal which means that we don’t have to be concerned about that.
AM: But you have to deal with the public, including the public watching this programme.

DR: Yes, of course.

AM: Can I ask, there’s been a report that, for instance, the British government is planning to stockpile food for a no deal eventuality. Is that true?

DR: No.

AM: That’s not true?

DR: That kind of selective snippet that makes it into the media I think is – to the extent that the public pay attention to it – I think is unhelpful. What we’re –

AM: It may be unhelpful, but I’m trying to see if it’s true or not. Should we not be trying to stockpile food, just in case there is no deal?

DR: We’re making sure, both in the allocation of money, three billion extra pounds allocated last budget, through operational things like hiring extra border staff, through the legal arrangements, both domestic and also the treaty arrangements, that we’re ready for any and every eventuality. And we will gradually and responsibly – which is the right thing for a government to do – set out more of the detail of that through technical notices. What we’re not going to do - and I’m not going to get drawn into selective snippets that are leaked and make hair-raising stories.

AM: They’re not hair-raising, they are

DR: They are, and that’s precisely why you’re-

AM: We may have to make these decisions. There’s been a story, for instance, that the M26 in Kent is going to have to become, at least in part, a lorry park.

DR: Well, no. But of course if we have no deal we will want to make sure that we’re prepared at the border with the knock-on effects that that would have if on the EU side they take the worst case scenario approach, which is frankly irrational. I’m confident we won’t get there. But even if we did we will have the planning
in place, the preparation in place, the operational matters in place, from the infrastructure to the planning laws, to deal with that.

AM: Because we’re going to need lots of lorry parks and sheds and lots of planning and customs officers, and really my main question to is are we actually ready for this? Because we need to be because it might happen.

DR: All of that planning is under way, from every aspect of the infrastructure to the legal position to make sure we’re ready for no deal and Britain thrives whatever the outcome of these negotiations. But let’s also just remind viewers, with our White Paper, with the negotiations in Brussels, we’re striving to get the best deal. And I’m confident that with goodwill on the other side, with the detail, with the ambition we’ve shown, we get that deal done.

AM: Well, I’m glad you raised the White Paper because I’m coming to it now. The big argument this week seems to have been over the customs proposals. Is it the case that we want the EU to collect tariffs for us at EU borders for goods coming to us through the EU?

DR: No, and it’s clearly set out in the White Paper.

AM: But the amendment said that would have to happen.

DR: No, that’s not quite right. What we’ve got is a system of remittance, so that when businesses come in, depending on where the destination of the goods is for consumption, they can pay the no tariff or the lowest tariff, and if then subsequently there needs to be a remittance or a reallocation we’ve got the mechanism and the formula in place with our EU partners. Let’s also be clear this is set out in the White Paper. Under our proposals, up to 96 per cent of goods coming across the border will pay no tariff or pay the correct tariff up-front. So it’s a small but significant question of how you allocate and remit after the event. And we’ve got the detail of that in place.
AM: Can I read you just a sentence, on sentence only from the White Paper, which says, ‘the UK is not proposing that the EU applies the UK’s tariffs and trade policy at its border for goods intended for the UK.’ Is that still true?

DR: So, what we are saying is that – there’ll be reciprocal arrangements for that –

AM: Is that still true?

DR: Sorry, there’ll be reciprocal arrangements, but the point is that it’s the remittance, the repayment after the event if the incorrect tariff has been paid. Both the formula for that and also the mechanism for allocating the payments in practice, that will be by a means of an agreement between us and the EU. But it’s not about the up-front levying of tariffs. That’s just a misunderstanding.

AM: I asked you whether that was true because that is of course the clause which has been overturned with an alternative clause during the hoo-hah in the House of Commons you referred to.

DR: That’s not quite right, that’s not quite right actually. The amendment is entirely consistent with the reciprocal arrangements envisaged by the White Paper, and I’m made that clear to –

AM: So you’re not worried about that?

DE: No.

AM: Because Michel Barnier has said that he’s worried about these kind of arrangements and he says – he asks the question in a classically kind of polite French way. He says, ‘are these proposals applicable without additional complexity or additional bureaucracy? Brexit cannot be and will not be a justification for creating additional bureaucracy.’

DR: And we agree on that. And actually it’s quite useful that Michel Barnier’s engaging on the White Paper and the substance and asking questions, and that’s why I’m going to be back out there on Thursday to give some assurance and make sure we’ve
got the technical arrangements that will need to be reciprocally agreed between us to make it effective. And of course this is an unprecedented situation, we’re coming out with innovative proposals, we need to work together, but actually the fact that Michel Barnier is not blowing it out of the water but asking questions is a good positive sign. That’s what we negotiate on.

AM: Alright, you were on the campaign committee of Vote Leave, which has been found guilty by the Electoral Commission of breaking electoral law and reported to the Metropolitan Police. Do you trust the Electoral Commission?

DR: Look, I think they’re the right authorities and yes, I think the right authorities need to look at any of those issues.

AM: You don’t think the Electoral Commission is politically biased?
DR: Look, I’m not getting into all of that. We’ve got the rule of law and I respect it and there’s been a report out in the papers today about whether actually the government’s campaign was correct. I think the referendum was a once in a lifetime moment, I think that the Electoral Commission should of course review and investigate all of those individual aspects. I wasn’t involved. AM: So you’ve got no complaints about that. And in terms of MPs, including Tory MPs who want members of Vote Leave to come and answer questions in the House of Commons, as the Observer reports today, do you think they’ve got a point, people like Dominic Cummings should come in and tell MPs exactly what was going on and explain themselves to the House of Commons?
DR: Well, I think certainly the Select Committee, in the normal way, should review and scrutinise every aspect and you know, that’s for Dominic Cummings to decide. But the one thing I would say is the idea that these issues don’t discredit and are used – let’s face it, some people are looking to use the –
AM: But if they’ve broken electoral law, that’s serious.
DR: Yes, but to discredit the outcome of the referendum, I think that is wrong. I think part of this is the last-ditch tactics by some to try and stop Brexit from happening, and what actually we need to all be doing is focusing, coming together to get the best deal with the EU so we take back control of our laws and our borders and our money, but we also have a good relationship with the EU in the future. Discrediting the referendum, calling for second referendums, I don’t think that helps at all.

AM: We’re talking about trust here. One very final question: is it ever right to break a pairing arrangement?

DR: Look, I leave the pairing arrangements to the whips. An honest mistake was made here, the apology has been made by the Chief Whip and Brandon Lewis, we obviously don’t want those kind of things happening, but I leave that to the whips. I wouldn’t be a very good whip.

(ends)