ANDREW MARR SHOW
CHRIS GRAYLING

AM: Chris Grayling, have you taken the decision about which airport it’s going to be?
CG: No, we haven’t. That decision will be taken this week. And what people were slightly surprised by as well is actually we’ve got a genuinely difficult decision. There are three very good choices on the table. I spent the summer visiting all three, in detail –

AM: Heathrow, Gatwick.
CG: Heathrow, new runway to the northwest of the airport. Heathrow, an extension to the northern runway to make it effectively double length with a gap in the middle. And Gatwick, to build a new runway to the south of the existing airport.

AM: And you genuinely haven’t yet made your mind.
CG: Genuinely. It’s going to be a decision on Tuesday, and it’s a difficult one because all three of these are well-crafted proposals and any one of them could bring benefits to the United Kingdom.

AM: So you take a decision and then we have a year-long consultation process. What can you possibly know from that that you don’t already know?
CG: Well, it’s a statutory process. One of the myths that was in circulation this week is that the decision’s been delayed by a year. It hasn’t. The 2008 Planning Act sets out a very clear process for a project of this kind. It was introduced to address the issue that – we have a ten-year inquiry for Heathrow Terminal 5 for example. It has reduced the process to a very short period of time, it streamlines it. And so what happens? Consultation, parliamentary scrutiny, a vote in parliament, and then the chosen airport can deliver the very detailed planning application.
AM: Is it your view – most countries our size have a single hub airport that connects to the rest of the world. Is that – whatever the decision – is that we need?

CGL Well, that’s one alternative on the table. The other side of the argument is that the arrival of new aircraft like the Airbus A350, the Boeing 787 Dreamliner, makes it more possible to run point to point aviation in a way that wasn’t possible in the past, at a much lower cost. So there are genuine competing arguments here.

AM: If you go for Heathrow you’re going to have big party management problems. Boris Johnson has said that he’s going to lie down in front of the bulldozers. At which point I assume that you simply buy a bigger bulldozer.

CGL: There’ll be challenge and opposition whatever option we take. The question here is that we have to, in my view, take a decision that’s in the interests of our nation. What delivers us the best connectivity, the right approach for the future at a time when we want to grow international trade links, open up new opportunities for Britain. Of course there’ll be opposition, of course there’ll be challenge, whatever we do.

AM: HS2 faces some kind of crisis. You have backed it absolutely. Can you just rehearse for us by how much the costs have already gone up before a line or an inch of railway has been laid?

CGL: Well, the increase in cost has been down to straightforward decisions about amelioration of the route. So, for example, we are now tunnelling quite a long way under the Chilterns to try and protect the environment in that area. That is a cost we would not have incurred if we’d just decided to build it above ground in the way that other countries have done. So any escalation in cost is not about a project that’s out of control, it’s about conscious political decisions to try and find the right balance between a project that we need and an impact on the environment that we want to minimise.
AM: It’s gone up from roughly, I think, Andrew Adonis originally said it was going to cost the country 30 million, and it’s now around about 50 million. And the Institute of Economic Affairs has suggested it would be 80 million. My real question is, is this a blank cheque. Is there a limit, is there a moment when you say, ‘I know it’s a big prestige project, I know a lot of egos are at stake here, but this is now too expensive and it cannot cost more,’ and you actually pull the plug?

CG: No, there isn’t – I don’t recognise the idea. Of course the current figures include a huge amount of contingency and risk planning. We are in a position where the Bill that will start phase one is nearly through the House of Lords. It’s due to complete its passage through the House of Lords around the turn of the year. And we’ll start construction of the first phase from London to the Midlands in the New Year. And so therefore it’s not a question of is this a project in the distant future that might get cancelled, this is a project that’s about to start. And if we go –

AM: But it’s a hugely expensive project, Chris Grayling. I mean, in terms of the amount of money, we talk about these great big figures, 50 million this, 40 million that. It’s the equivalent of a 100 new general hospitals for this country. It’s the equivalent of more than a dozen new aircraft carriers. It would transform the NHS, it would make the lives of a lot of people on benefits much easier if you chose not to spend it on this railway. And my real question therefore is, is there a moment when it simply becomes too expensive? Is this a decision that has been taken and nothing’s going to alter it? Or can you alter the decision and step back at this stage?

CG: Well, the important thing to say is the costs aren’t rising. And we are very committed to delivering –

AN: Can you guarantee that if the IEA are right and this ends up costing 80 million pounds, Christopher Grayling will resign from the government?
CG: Well, by the time we’ve finished the project I don’t imagine I’ll still be Transport Secretary in ten years’ time. But the whole point is that if we are going to have a transport system that can deliver for this country for the future we need more capacity. One of the myths about HS2 is it’s about speed. We have a transport system that-
AM: It’s called High Speed, why?
CG: We have a transport system that is creaking at the seams. Everyone knows it. We need extra capacity on it. If you’re going to build extra capacity on the railways why would you not build a state of the art railway rather a railway using the technology of yesterday?

AM: You mentioned the word ‘connectivity’, but HS2 doesn’t even connect to the Eurostar terminal. People are going to have to get out at Euston and walk along the pavement to St Pancras to get to the Continent. Are you absolutely convinced that it is right to go to Alder Common in London and then transfer directly onto the Eurostar route through Crossrail?
CG: Well, that choice will be there. But when people talk about connectivity, you have to remember that connectivity for HS2 is about connecting Birmingham and Leeds, Birmingham and Manchester, creating a real additional benefit to the Midlands and the northern economy. People tend to look at it through a London prism. It’s as much about connectivity there as it is between London and the north.

AM: But other people say that so-called HS3, linking the northern cities, would actually do much more for the north than making it a big faster to get between London and Birmingham.
CG: Well, of course we’re developing that for the future. That development work is being done by transport in the north right now. And at the same time, I have to say, we’re spending 350 million pounds of improvements to the rail system in Liverpool. We’ll soon be embarking on the electrification of the trans-
Pennine route. So it’s not that nothing is happening in the north. What’s happening in the north right now is important and will make a difference far sooner than a completely new railway. We need both, in my view.

AM: Let me turn to Brexit, if I may. The big news of the week, I suppose, was the collapse of the trade deal with Canada and the EU. Are you worried about that? Are you looking at this and thinking this will be much harder than we expected?

CG: Well, obviously we want the Canadian deal to be done. It’s in the interests of everyone on both sides of the Atlantic that that happens. But I think there’s a very different question with our relationship with the European Union. We are their most important export market. If you look at the issue of Belgium this week, which has been at the heart of the debate over the Canadian deal, we are a huge market for Belgian agriculture. Nobody in continental Europe benefits from a reduction in the ability to trade with the United Kingdom.

AM: Have you got the Walloons on side then, for our deal?

CG: Well, we buy a whole load of produce from Walloon farmers, and so therefore it’s not going to be in their interest to see tariffs imposed. And this is why I’ve always been convinced we will have tariff-free trade, we’ll have sensible trading arrangements. Because it’s in both our interests that that should happen.

AM: And all the way through the referendum campaign you and people like you were saying, this is going to happen because they are rational free-traders. They’re going to look at this in a kind of mercantilist 19th century rational way. Actually what we’re seeing out of the EU at the moment is there’s a lot of politics involved. It’s offended egos, there are patriotic angry Frenchmen and Germans talking about the way we’ve been behaving, and there is more emotion in this and therefore it’s going to be more troubling perhaps that we – than you expected.
CG: Well, of course there was always going to be emotion in this. There’s always going to be politics, always going to be political statements, always going to be political positioning before the discussions start. But I can you tell you – and I’ve been having regular dealings with counterparts in the European Union, with the Commission, since I took over this job. My experience has been nothing but friendly relations and a desire to work together in the future.

AM: Well, one of the problems clearly ahead, and the Canadian thing shows this, is that if we’re not allowed to do proper trade deals until we have dealt with the EU negotiations, then we could face a cliff edge. In other words, we can’t do a trade deal with Canada now. Perhaps we want to be able to do that since we’re leaving anyway, and do trade deals around the rest of the world. Otherwise we face this cliff edge.

CG: We’re already having discussions with other countries about trading arrangements of the future.

AM: Not future trade deals.

CG: What we can’t do, and if you can take the example of the EU-Canadian trade deal, we can’t suddenly insert ourselves in the middle of that while we are members of the European Union. But of course we can pave the way with a trade deal for them. We can have discussions that’ll lead to those agreements. And that’s what we’ll do. That’s what Liam Fox is doing.

AM: Would you like to see Philip Green stripped of his knighthood?

CG: I think now parliament has expressed a very clear view. But this is a matter now for the Independent Honours Committee. They will undoubtedly take note of what’s happened, but it is their call as to what we do.

AM: Hilary Benn was saying just now – I don’t know if you heard him – that the most important thing is to make it clear that there
is going – there could be a transitional period between us and the 
EU and everything being tidied up again, because of this fear that 
if we run out of time in two years’ time and the deals haven’t 
been done, and business and industry don’t have the certainty 
they need we therefore face a real crisis then? Do you think a 
transitional arrangement of some kind is sensible?

CG: Look I think the key point – and it’s a difficult argument and 
we’ve been saying very clearly that we cannot give a running 
commentary of this. And I know people are frustrated, they want 
to know what’s going on, they want to know –

AM: We’re all very frustrated.

CG: Ultimately sure we want a deal that’s in the interest of the 
United Kingdom, but actually laying all your cards on the table at 
the start of a negotiation – anyone who’s done a negotiation 
knows that’s not sensible. So we’ll do the right thing for Britain. 
We’ll inform parliament as much as we possibly can, but 
ultimately the national interest has to come first.

(ends)