INTERVIEW WITH:
NICK CLEGG, DEPUTY MP, LEADER, LIBERAL DEMOCRATS

SOPHIE RAWORTH: Nick Clegg is with me now. Good morning. So you cut too fast then, too much too fast when you first came to power.

NICK CLEGG: Well what happened and I think it’s very important that we’re open about this and that we treat people as sort of grown-ups, because we’re grappling with unprecedented challenges in our economy - is when we came in to office, we inherited not only of course the mess that the Labour Party had created but also their plans for a very steep drop off in capital investment and we had to in those first, early days, stick to those plans because we didn’t quite know, you know, how bad things were. What we’ve been doing since then ...

SOPHIE RAWORTH: But it was too much, I mean that was a mistake is what you’re saying.

NICK CLEGG: I didn’t actually say it was a mistake, I was just describing what we’ve done. Now what we’ve done since then which is crucial is we have made up for those mistaken Labour plans, we’re actually finding new ways of getting capital investment in to homes, into energy, in to roads, in to rail ...

SOPHIE RAWORTH: ... to be fair, you did say it was a mistake. In an interview in The House magazine, you said “If I was going to be self critical, this reduction in capital spending, when we came in to coalition government, I think we all realised that actually we needed – in order to foster a recovery, to try and mobilise it”.

NICK CLEGG: I never said a mistake. What I said was ... (interjection)

SOPHIE RAWORTH: Well, that’s the implication.

NICK CLEGG: No, no. Actually, let’s be accurate about this. What I’m describing is what is the fact. It’s very important that we’re quite candid with the British people about the fact that the crash in 2008, on Labour’s watch, was the biggest heart attack in the British economy for over a generation. Right? So we faced unprecedented challenges. What we did was, in the first instance, Labour told us there was no money left; so we couldn’t go around writing cheques and what we’ve done since then, this is my point, is we have
systematically found ways of actually adding new capital. So there are basically three ways...

BOTH TOGETHER

SOPHIE RAWORTH: What people want to know and as you say it is crucially important, but what people want to know is what is going to happen.

NICK CLEGG: Correct. That’s ....

SOPHIE RAWORTH: (interjection) Do you need new ways?

NICK CLEGG: Yeah, there are three ways.

SOPHIE RAWORTH: Do we need to re-think it?

NICK CLEGG: There are three ways in which you can get more capital investment in to building more homes, building more roads, building more rails and so on. First, you can encourage the private sector to do it. You can give them incentives to do it. Secondly, you can make savings elsewhere in government and divert that money to capital investment and thirdly, you can borrow pots of money and do it that way. We’re doing two of the three. We’re doing the first two so we’re, we’re giving unprecedented incentives to the private sector, including a ten billion pound Treasury guarantee as it’s called, to lower the cost of building, for instance for Housing Associations. It’s never been done before. We’ve diverted billions of pounds, most recently in the Autumn Statement, five billion pounds of extra money from elsewhere in Whitehall to capital investment but, here’s the thing – the idea that we can simply return to the bad old days of borrowing our way out of a crisis, is clearly not possible when we still have one of the largest deficits in the developed world. (interjects)

SOPHIE RAWORTH: But let me just say, we’ve got the budget coming up in March obviously and there’s been a chorus of voices just in the last few days, as you well know, saying that it is time to slow the austerity drive. This is not working. There needs to be a new way of thinking.

NICK CLEGG: Well I think people need to, for those who say, oh there’s some sort of switch labelled ‘plan B’ in Whitehall, why doesn’t the government do ...

(interjects)

SOPHIE RAWORTH: (overlaps) ... It is not a switch. It’s a new way of thinking.

NICK CLEGG: Well, actually, we have been much, much more pragmatic than some of our critics would allow. When we saw that the economic situation was tougher than many people anticipated. That growth was going to take longer to recover in full, what did we do? We didn’t dogmatically cut further to sort of chase our tail in terms of meeting the initial targets that we’d set, we said okay, we’ll be pragmatic about it. We will take longer to get the job done and that’s exactly by the way what we’ve done on capital, which is that bit by bit we’ve made up for the mistakes of the Labour government and the Labour
Party, to put more money in capital investment. Tomorrow we’re announcing the biggest new high-speed rail project this country has ever seen. (interjects)

That’s a very good example of our commitment to making sure that we grow our way out of this crisis by investing in the kinds of things that help the economy.

SOPHIE RAWORTH: Just to be very clear, your message is steady as she goes, more of the same.

NICK CLEGG: My message is that you can be very tough on the deficit, as we have been, we’ve reduced it by a quarter and you can be restlessly creative about how, within those strictures, within those limits, you do things to make the economy grow. And if people have ideas ... (interjects)

SOPHIE RAWORTH: So stay with the same. So there’s no change. I mean we’ve even got people like the IMF’s Chief Economist, who’s saying, you know, spending cuts should now be slowed. You’ve got one of the top executives of Goldman Sacs saying that policy – the fiscal policy has tightened too much. There is this clamour of voices ... (interjects)

NICK CLEGG: These are also the same voices that then complain when they discover that borrowing went up last December compared to the year before. Why was that? Because we weren’t being dogmatic and we allowed for the fact that as tax receipts go down and welfare payments go up, we borrow a bit more to make up the difference. We’ve been tough but pragmatic, we’re being resolute but innovative and if people have ideas about how we can provide further capital investment into our infrastructure, without breaking the bank of course we’re open to that. We’ve already done these things that no government has done before, establish a Green Investment Bank.... (overlaps)

SOPHIE RAWORTH: (both together) All right. But what about more major infrastructure projects, as the Mayor of London says. Time to pour a lot more money in to those?

NICK CLEGG: Well you’ve got one of the largest infrastructure projects in Europe, never mind the United Kingdom, in London already, Crossrail. Tomorrow we’re announcing the largest rail infrastructure project this country has ever seen, healing the North South divide but investing in high speed rail links between the two. We’ve offered up to fifty billion pounds, unimaginable large amount of money, fifty billion pounds worth of Treasury guarantees, although in effect means is we’re saying that private investors who want to invest in infrastructure can use the credibility of the government’s balance sheet to reduce the costs of infrastructure spending. And my point is we have done those innovative things and my job if you like every day in government is to ask what more can we do within the limits of what we can do, given our large ... (interjects)

SOPHIE RAWORTH: But you’re not going to change course, that is the bottom line.
NICK CLEGG: We’re not, we’re absolutely not going to change course in paying off one of the world’s largest budget deficits. Why? Because if you just shrug your shoulders and say, I’m sorry, it’s too complicated, we end up asking our children and our grandchildren to pay off this generation’s debts. I don’t believe that to be fair. We’ve already reduced the deficit by a quarter, we’ve seen employment increase, in fact last year employment increased at a faster rate than it has done since 1989. There are parts of the economy that are strong, but yes, it is a long hard road. There are other parts of the economy which are going to take longer to repair and to fix than anybody anticipated at the beginning.

SOPHIE RAWORTH: More problems ahead you are anticipating now because of this in out referendum that David Cameron has promised. A huge mistake?

NICK CLEGG: Look my own view is I’ve got no problem at all, no fear at all of a referendum. In fact we’ve legislated with the Conservatives to give the British people a belt and braces guarantee about when a referendum will take place, when there is a new treaty and new things are asked of the United Kingdom. Where I do differ from David Cameron is the idea that it is good for our economy and good for growth and good for jobs when we have these economic problems you’ve just talked about, to then spend years and years flying around from one European capital to the next, fiddling around with the terms of Britain’s membership of the European Union. I don’t think for an economy, which is as dependent as ours is on foreign investment, we’re a very open economy, I’m very proud of that. I think that’s good for jobs and growth and my priority will always remain a simple objective of building a stronger economy in a fairer society, enabling everybody to get on in life and I think that job is made more difficult if you have years and years, tie yourself up in knots, having arcane debates about the precise terms of the membership of the United Kingdom, before we get to a referendum.

SOPHIE RAWORTH: So are you saying the Prime Minister is putting British jobs at risk, what to satisfy his own Party. Something a lot of them have been clamouring for?

NICK CLEGG: You should ask him. Get him.... (interjection)

SOPHIE RAWORTH: But is that what you think privately?

NICK CLEGG: My, my own view is that it is not in the national interest when we have this fragile recovery, when we have a very open economy, which is very dependent on investors in the car industry and in the banking system and so on. I don’t think it helps at all, stability is crucial to any economy, recovering from the shock that we endured in 2008. A referendum is something we’ve all legislated for together already in this coalition government, Conservatives and Liberal Democrats. My point is you must always, when you’re trying to piece together a recovery, foster those precarious conditions of greater confidence in the economy. You mustn’t do anything to make that more difficult.
SOPHIE RAWORTH: You know there are an awful lot of businesses, I mean the business community, it’s pretty divided on this issue isn’t it and there are a lot of businesses who actually would welcome some sort of renegotiation, some lessening of regulations from Brussels over here.

NICK CLEGG: If you asked people, do you find it desirable to have everything you like about the European Union and nothing that you don’t like. Of course everyone is going to say yes. I would say yes. That is not the question. Is it deliverable to in effect say to the rest of the European Union, we want to do all the bits that we like but can you keep all the stuff that we think is not good for the economy? Of course that is not plausible and I just think that actually most businesses I speak to, particularly those who value Britain as a place to do business and invest money from elsewhere in the world are extremely concerned, extremely concerned about the effect on long-term – and can I just spell it out. If you are a car manufacturer, when you make an investment decision, you pour hundreds of millions of pounds in to a plant in the North East or in the Midlands. You have to make plans based on what you think is going to happen for the next ten, fifteen years.... (interjection)

SOPHIE RAWORTH: Absolutely. Yeah.

NICK CLEGG: And therefore I think if you’re making those decisions, if you’re in a Boardroom in another part of the world, in Asia or America, of course you worry that actually, what is going to happen in the United Kingdom is unpredictable and uncertain and that’s not good for jobs and growth.

SOPHIE RAWORTH: What I don’t understand is why you personally have had such a big U-turn on Europe. I mean it was only five years ago that you were calling for this in out referendum .... (interjection)

NICK CLEGG: (overlaps) ... was legislated for a referendum.

SOPHIE RAWORTH: No, no, no. But that’s, that’s with fundamental changes. That’s what you’ve legislated ... (interjection)

NICK CLEGG: (overlaps) ... that’s exactly what ...

BOTH TOGETHER

SOPHIE RAWORTH: No. No. No. That’s what you manifesto said in 2010 not in 2008 and you wrote an article about it.

NICK CLEGG: Don’t re-write history. Can I just ... (interjects)

SOPHIE RAWORTH: No. No. No. All I’m doing is quoting from you. You said that – in February 2008, it’s time to pull out the thorn, heal the wound. Time for a ...

BOTH TOGETHER
SOPHIE RAWORTH: ... absolutely. But time for a debate politicians have been too cowardly to hold for thirty years. Is it not ... (interjection)

NICK CLEGG: You’ve omitted for your viewers, the most important thing – what was happening in 2008. We were ratifying the Lisbon Treaty. What I was saying then, it’s really important this, was if you’re going to have a Treaty which asks new things of the United Kingdom, right, to give up to the European Union, there should be a referendum, I said that in 2008. We said that in our manifesto in 2010, we’ve now legislated for that, with the Conservatives, during this coalition government. We’ve been completely consistent ... (interjects)

BOTH TOGETHER

SOPHIE RAWORTH: You were very clear that it was a debate that needed to be held.

NICK CLEGG: (overlaps) ... serious allegation that somehow we’ve changed. I’ve been absolutely clear, the Liberal Democrats have been absolutely clear, the British people will get a referendum when new things are asked of the UK, in the European Union, in the context of a new treaty. That’s what we said in 2008. We said in 2010 what we’re saying now. It is the Conservatives who decided to completely reinvent the wheel and tie the country up in knots by redesigning and fiddling around with the terms, the detailed terms of our membership, before the British people ... get anywhere near a referendum. (unclear)

SOPHIE RAWORTH: Okay and David Cameron has very much thrown down the gauntlet on this hasn’t he and he has said, “If I am Prime Minister, this referendum will happen”. So is that for you a deal breaker if there’s any future coalition?

NICK CLEGG: If he’s Prime Minister with a majority Conservative government, he can do what he likes. I’m certainly not going to stare into a crystal ball.

SOPHIE RAWORTH: But you wouldn’t rule it out.

NICK CLEGG: No, let me be very clear. Politics is all about priorities, right. Now, my priority, the priority of my Party, up to, through and beyond the next General Election is very, very clear, it to build a stronger economy, in a fairer society, that’s what we’re about. Fairer taxes, more apprenticeships, making sure that we deal with crime in people’s local communities. Fostering more green jobs. My own priority and that of my Party’s therefore is not to fly around from one European capital to the next having arcane debates about the precise terms of our membership of the European Union. I think most people want.... (interjects)

SOPHIE RAWORTH: Is it arcane? I mean it is something that a lot of people, according to the polls, actually want.
NICK CLEGG: I think if you ask most people, their absolute priority now is jobs, is affordable housing, is to make sure they can pay their heating bills, their children can get an apprenticeship and can get their feet on the property ladder, on the job’s ladder. That is the priorities of the British people, those are the priorities of the Liberal Democrats as well. The European question is important. I’m very clear, the Liberal Democrats have already given, have legislated to give the British people a belt and braces guarantee that if new things are asked of this country, in the context of a new treaty, there will be a referendum. In the meantime, I want us and we will continue. I will do this every day in government and every day after the next General Election, focus on creating growth and jobs.

SOPHIE RAWORTH: And to achieve those priorities that you outlined a moment ago. Would you negotiate in any future coalition with either Labour of the Conservatives?

NICK CLEGG: Well my own attitude on what the outcome of the next General Election is, is exactly the same as it was at the last General Election. It’s not for me or Ed Miliband or David Cameron to second guess what the government of this country will be, it’s for the British people… (interjects)

SOPHIE RAWORTH: But you must know whether you would keep your options open or whether you would categorically rule out… (interjects)

BOTH TOGETHER

NICK CLEGG: … exactly what I said last time which is that the Party with the biggest mandate from the British people has the democratic right to seek to assemble a government. That was clearly, after the last General Election of the Conservatives, and we entered in to good faith, responsibly, to try and create stable government for this country. We will do exactly the same next time, to play our role through this prolonged period of economic uncertainty, to give this country good, sensible, centre-ground government.

SOPHIE RAWORTH: So you would have no philosophical objections to working with Ed Miliband for example? I mean there’s been some reports in the recent weeks that you know, relations have been thawing between the pair of you.

NICK CLEGG: I mean I’ve never, ever seen any of this as an issue about what one individual thinks about another individual. It really is all about what the British people think about the parties who are asking for their vote…. (interjects)

SOPHIE RAWORTH: It’s about one individual thinking something of the other when you have to work together in a coalition, of course it is ....

NICK CLEGG: David Cameron and I said lots of disobliging things before the last General Election, disagreeing with each other on issues that you’ve just highlighted. We still work together in a coalition government, in the national interest, that is coalition government...
SOPHIE RAWORTH: And do you contemplate working with Ed Miliband?

NICK CLEGG: Well the attitude of working together, in the national interest, with politicians you don’t necessarily agree with, because that’s what the British people want you to do, is the attitude I’ve always had and will always have in the future.

SOPHIE RAWORTH: So I’ll take that as a yes.

NICK CLEGG: You can take it as a yes that I will always seek to play a responsible role in making sure that this country is properly governed.

SOPHIE RAWORTH: Let’s move on, I mean your own personal ratings, they’re not good at the moment, are they? 69% think you’re not doing a good job as a Party Leader – that was one of the most recent polls. I know we’re looking into a crystal ball slightly here, but if, in the future, it came to a situation where in order for the Liberal Democrats to stay in power, you would have to step aside as Leader. Is that something you could contemplate, just to keep the Liberal Democrats in power?

NICK CLEGG: I’m determined to fight the next General Election, as Leader of the Liberal Democrats. Not any sort of sense of personal peak or pride but because, it doesn’t surprise me one bit that as a Leader of a Party, that’s never been government before and has led my Party strongly, but in quite a controversial way, bringing us in to government, for the first time ever and then associating ourselves and being responsible for difficult and unpopular decisions, that should have an effect of course on my personal ratings and that of the Party but what I equally believe, very, very strongly is that if you do the right thing, we’re not going to flinch from responsibility, I’m not going to flinch from taking difficult decisions, if you do the right thing for the country as a whole, fair-minded people up in other countries I believe will come to support us in much larger numbers at the next general election, and we all read endless obituaries about the Liberal Democrats and I keep reading about it ...

BOTH TOGETHER

SOPHIE RAWORTH: I just want to change the subject slightly. You’ve been talking to our Malian guests behind the scenes I know this morning. What more can Britain do, do you think? Should be become more involved?

NICK CLEGG: Well we are giving the French, the military support they need. The aircraft they’ve asked for. But I was speaking to the band members earlier and they were saying interestingly, where they want to see more help from Britain in the future is actually the painstaking non-military work afterwards. It’s the aid, it’s the help to organise free and fair elections because it’s political stability, after the military phase, that is actually the best antidote against extremism.
SOPHIE RAWORTH: One more question, I mean you have your regular Nick Clegg phone-in now don’t you on a radio station in London and one of the issues that was raised this week was the issue of your own son’s education. You’ve spoken in the past about the great rift in our education system, the corrosive damage that it does to society and to the economy. Yet it seems you could possibly be sending your own child to a private education?

NICK CLEGGE: I accept that it’s dilemma for anyone in public life and particularly in politics, to how you balance that with the fact that you know, Miriam and I have small children and the approach Miriam and I took right from the outset was to keep our children completely out of politics. We’ve never put them in front of a camera, not to make them or their education a political football. And I hope people would respect that our instinct, Miriam and mine, our instinct is like any parent, is to do the best ... (interjects) ...

SOPHIE RAWORTH: Difficult to swallow though isn’t it, when you come out with such big statements about the corrosive impact on society.

NICK CLEGGE: I think most people, I mean I totally accept that when we make a decision, that that will be the subject of public commentary and criticism and so on. But I hope in the meantime, most people would accept we want to protect the privacy of an eleven year old boy and make a decision that we think, as parents, is best for our son.

SOPHIE RAWORTH: I’m going to have to leave it there. Nick Clegg, thank you very much.

END OF INTERVIEW WITH NICK CLEGGE