

ANDREW MARR SHOW

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JACOB REES-MOGG

AM: You said this week that you were seriously concerned as to whether the government actually wanted to leave the EU. Why did you say that?

JR-M: Well, a lot of compromises have been made during the course of the negotiations. The government agreed to the EU's timetabling of the negotiations, agreed to a very large amount of money, and agreed to a transitional period that included some things that we were told wouldn't be agreed. So on our side we've made a huge number of compromises, and on the other side, as you just listed, nothing has come in return. And that makes me concerned that it's all very one-way.

AM: But you've gone beyond that. You've said the government itself may have lost the will, in a sense, for Brexit.

JR-M: Because it's difficult. And I was concerned that the Withdrawal Bill didn't seem to be coming back. That's now changed, that will come back in the middle of June, and I'm reassured in the last week. I think the government has made it clear that it is still committed. But there are concerns, inevitably, at the way the negotiations are proceeding.

AM: And we've heard this week that the Cabinet has apparently agreed that as a backstop to the Irish border issue, if nothing else can be agreed we might stay in something very, very like the customs union for years ahead - 2022 or beyond. Would that be acceptable to you?

JR-M: That's a real problem, because the customs union on its own does not solve the seamless border issue. If you go and look at the Turkish border, which is in a customs union –

AM: Customs realignment.

J-RM: Absolutely right. You require regulatory alignment as well. And that means the Single Market. And so if we were to stay as a rule taker, as a vassal state, for an indeterminate period, that I think would not be delivering on Brexit. And if you offer a backstop that is more attractive than anything that you're likely to negotiate, from the other side's point of view, the backstop ends up becoming frontstop.

AM: So it's not acceptable. We're running out of options on the Irish border at the moment. You've suggested two things. Can I ask you first of all do you think that Jon Thompson, who's head of the HMRC, is still a very capable man?

JR-M: I do think he's a very capable man. Whether his figure of 20 billion pounds for the cost of administering Maxfac is right, I don't know. That would be five per cent of our combined EU trade, and it seems a very high figure and much higher than other countries. More than what we're already doing. That - bear in mind -

AM: If it's like that or anything like that, it puts maxfac impossible.

JR-M: I think you want to go back to looking at how we deal with goods coming into Southampton and how that is managed by HMRC. A very low level of inspections. Most inspections are done on food and other inspections are intelligence-led. As food standards in the EU will be ones we're completely comfortable with, that level of inspection won't be needed. So I think you want to go back to where you're already doing this and already doing it successfully and apply that. And I think actually both Maxfac and the customs partnership have been a tendency to overcomplicate things.

AM: So there are problems with both of them. When it comes to the Irish border, you have said there is another answer, which is simply if they're not going to negotiate seriously with us we politely and courteously say, 'thank you very much,' and we walk away. The trouble is that is illegal isn't it?

JR-M: No, it's not illegal. What makes you think it's illegal?

AM: Under the World Trade Organisation rules, which we would certainly have to sign up to after leaving the EU, then if there is a customs union on one side and us on the other there has to be a border, and if there isn't every single member of the WTO could take us to court. It's 160 countries.

JR-M: Hold on. You're confusing two things, if I may. You're confusing a border with a hard border. There already is a border. There is a border for excise duties, there is a border for currency and there's a border for currency, among other things. But if you look at Article 24 of the General Agreement on Tariffs and Trade, that has two exemptions that may be useful. One is for dealing with contiguous countries, and the other is in establishing a free trade agreement with other, with a group.

AM: We can't do free trade with the EU.

JR-M: Hold on. Patience. What you have to do is create virtue, and virtue is a grace and grace is a girl who doesn't wash her face, as I'm sure you're listeners will want to hear. But you can say we are working towards a free trade agreement, which we will be doing, and as long as both sides say this you can then go on to say and therefore we will for an interim period, which can be up to ten years, we will maintain the current arrangements, and that's perfectly legal. And actually I discussed this on one of the BBC's other programmes last week with an expert and we ended up agreeing that this was the case.

AM: Well, I'm no expert, as you've spotted already. However, Sir Ivan Rogers, who was our ambassador to the UK (sic) is an expert in these things. He has saturated himself in this for years and years and years, and he says, "the full EU regime will apply automatically and that necessitates a hard border. Forget all the endless repetition of 'on the EU and Dublin's head be it, we won't erect a hard border', it'll be their choice." That is simply legally untrue at WTO level.' That's Sir Ivan Rogers.

JR-M: Well, I think he must have a look at Article 24 of the General Agreement on Tariffs and Trades and then he will be better informed.

AM: You think he's simply wrong on that?

JR-MG: Sir Ivan Rogers is the chap who did David Cameron's renegotiation and provided us with thin gruel. I'm not sure he is the most impartial or useful commentator on this issue.

AM: Okay, let me try and find another impartial and useful commentator, the Prime Minister. Because she's rapped you over the knuckles over this very issue. She thinks that this idea of we're not going to put up a hard border, let somebody else do it if they dare – this kind of game of chicken – is irresponsible and said as much to you.

JR-M: The Prime Minister said in her Mansion House speech that she wasn't going to do this. I think that is a mistake. I think it is the obvious negotiating position for us to have. Bear in mind the Irish economy is heavily dependent on its trade with the United Kingdom. It is overwhelmingly in the interests of the Republic of Ireland to maintain an open border with the United Kingdom. And I think if you're going into a negotiation you should use your strongest cards, and just to tear one of the up and set hares running on other issues is, I think, an error.

AM: Okay, there's lots of errors that you think the government have made at this point, and things, as it were, we're getting stuck in the sand. The wheels are whirling around and we're not moving forward at all. Are we now at a point where we have to walk away?

JR-M: No. I very much support the Prime Minister in her approach to remaining within the negotiations. I think it's important to obey the formalities and the courtesies. But I think we should be clear and stronger. Basically the deal is very simple: we are paying a very large amount of money, 40 billion pounds, and in return we

want a trade deal. Everything else is essentially incidental to that. The 40 billion pounds is of great importance to the EU because after March next year it still has 21 months of the multi-annual financial framework, and it expects that to be funded by the UK. It would have to cancel projects or get more money out of the Germans if it doesn't get our money.

AM: We've agreed to this already.

JR-M: No, we haven't, because nothing's agreed until everything is agreed. And therefore we should reiterate that and say quite clearly that if we don't the trade deal we want you don't get the money. And that's a very strong negotiating position.

AM: Is that the message for this summit? Do you think Theresa May should go and say, 'I know I agreed the 40 billion but frankly, the way things are going, I'm changing my mind.'

RJ-M: I think it's worth reminding them that nothing is agreed until everything is agreed, which is clearly set out in the December text. Because the issues you mentioned, Galileo and so on, the European Union thinks it's in a position of negotiating strength. Without our money it faces a real crisis next March when it's facing problems from other countries too. If I were the EU I might be a little bit more worried about what's going on in Italy than whether the UK can remain a full member of Galileo. That seems to be more important to the structure and the fortunes of the European Union.

AM: You have adopted a kind of demeanour of this kind over very, very punctilious and police menace towards the Prime Minister.

JR-ML: There's no menace in me at all.

AM: There's plenty of menace in you. The ERG has constantly said you can't do this, you can't do this, you can't – and then she goes and does it and you pull back. Because actually you're a phantom army. You have no possibility of taking on the Prime Minister over any of this stuff because you don't want Jeremy Corbyn.

JR-M: Well, certainly I don't want Jeremy Corbyn. I do not approach talking to the Prime Minister in the way that you suggest. It's not for me to say you must not do this, you must not do that. I'm very respectful of the great office that Theresa May holds.

AM: And presumably of Theresa May herself.

JR-M: And her, of course.

AM: Whatever she's doing she's working ferociously hard.

JR-M: That's absolutely right.

AM: Night and day, long hours, to try and get this deal. And again I say, with great respect, but it's relatively easy to do what you're doing, which is to sit at the back of the hall and chuck elegant wine bottles at her. But she's working really, really hard. Can I ask you, if she came to you and said, 'Jacob, I'd like to make you Under-Secretary of State for this, that or the other,' would you join her government?

JR-M: The Prime Minister is not going to be doing that.

AM: But if she did?

JR-M: But I want to respond to what you just said, because I agree with you, I think the Prime Minister is the most impressive and dutiful leader that this country has had. Her expression of duty is something that all Conservatives should admire and applaud. I compared her recently to Geoffrey Boycott who was my childhood cricketing hero, and I think that is her approach. It is a straight bat, it's a steady approach, and she scores the runs.

AM: If she is so great why don't you ask to join the team?

JR-M: Because I think there are lots of other people who are very able who are doing extraordinarily well.

AM: You don't think you're up to being an Under-Secretary of State?

JR-M: Frankly, if I were the Prime Minister I would use my patronage to encourage the pro-Europeans to keep them on board, because I'm going to back her in making sure that Brexit

means Brexit from the backbenches, and I'm very happy and keen to do that.

AM: And you'll back her even if she brings to the House of Commons something like the full customs union backstop that you don't like?

JR-M: I will back the Prime Minister delivering on the promises that she's made in the Conservative Party manifesto and in her various speeches and in all the commentary she's made around it. Political gossip is a very different matter and I think one can't work out from political gossip situations that may or may not happen.

AM: Everybody's against political gossip until they're really at the centre of what they want to do.

JR-M: Oh no, political gossip's great fun. But it's not a determinant.

AM: Do you have what it takes to be a Prime Minister?

JR-M: I don't wish to be Prime Minister. I'm very happy being a backbench Member of Parliament. My concern –

AM: Can I ask one question that you have, if I may say so, elegantly avoided up to now but is a very important one: are there any circumstances whatever in which you would challenge Theresa May for the Prime Ministership?

JR-M: Of course I wouldn't challenge Theresa May, that's a ridiculous idea.

AM: No circumstances?

JR-M: The Prime Minister has my full support to remain as leader of the party. As I have said many times, my concern, my sole ambitious other than being Member of Parliament for North Somerset is that Brexit should happen. That's what I want to support and will support the Prime Minister and the Conservative Party in delivering that.

AM: Is your message to the Tory Party that if we get rid of Theresa May, under any circumstances, that threatens the entire Brexit project?

JR-M: I think Mrs May is crucial to the Brexit project, yes.

AM: Can I ask you about the story in the Mail on Sunday today – it's not quite political gossip - because Somerset Asset Management, which you set up, has invested very, very heavily in a whole series of Russian investments. Oligarchs, friends of President Putin's. Now, just at this moment when we're in such a difficult situation with Russia, do you think that's a kind of patriotic or happy thing to be doing?

JR-M: I no longer run Somerset Management's investments, and that's important to know. Somerset Management is an emerging markets investment management company, we manage clients' money – it's not our own money, it's clients' money – and they've asked us to invest it in emerging markets. We have a fiduciary duty to them to invest it as well as we can in businesses that we think will do well, subject to the law of the land. And that is what we do. We can't run our investments on my political opinions. I think we should be much tougher on Russia. I think we should impose a lot of the sanctions that America has imposed on Russia.

AM: Isn't it awkward to be making so much money from these investments while at the same time disapproving of them?

JR-M: You misunderstand how investment runs.

AM: No I don't.

JR-M: I don't – no.

AM: You have moral authority, moral responsibility at least for the money that's coming into your bank account.

JR-M: You're assuming I make money from these investments. I don't. These aren't my investments, they're our clients' investments, mainly charitable –

AM: You make money from Somerset Asset Management which makes money from these investments.



JR-M: Ah, but that's by second degree. But our job is to invest in emerging markets for our clients and using their money. We have to do that as well as we can under the law. We would be opening ourselves up to legal actions if we decided that my political opinions should influence the investments, that would be quite improper.

AM: In the new world after Brexit we are going to have our new alliances, which will matter very, very much to us, and above all with the United States. When you've seen what Donald Trump has said about what he wants to do in terms of pharmaceutical prices in the UK, he and his Secretary of State have said, in terms, that they want to make British consumers and British patients pay more so that American patients can pay less. Do you not think that we are, as it were, taking back control from one side and losing it in another direction?

JR-M: No, I don't. Donald Trump is a very interesting political figure, and if you look at what he has said he has made these very strong statements in what he sees America's interest to be, and then, as we're seeing with the Chinese recently, he then negotiates deals that leave everybody happy. So I think –

AM: We're in a slightly weaker position than the People's Republic of China.

JR-M: Of course we're not as large an economy as the People's Republic of China, that's absolutely correct. But we are the US's closest ally. That has a certain weight to it. We are an important supporter of America and its global interests, and that again gives us a counterweight to China, which is very often not of the same interests as the United States. That gives us a degree of influence, and I think the United States is a country that it makes sense for us to work with and one where we have a lot of commonality of interest.

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