AM: You’ll have heard Mr Dastis just now arguing that people should ignore whatever the Catalan government say, ignore the instructions of the Catalan system. What is your message to the Spanish government given what’s happened overnight?
ET: I think that in the end we seem to be getting pushed into a binary choice and I don’t think that is the way that they need to go. I’m very concerned that there is this political standoff, that we have the Spanish, on the one hand, trying to re-impose authority on the Catalans, and the Catalans claiming no, no, no, we’re going to be independent. And you see all the demonstrations, not just in the whole of Spain but in Catalonia as well, and you do wonder actually whether really the bulk of the Spanish people want there to be some talks and want there to be able to be a constitutional move forward. So whatever happens has to be done within the rules and laws of Spain, just as it has to in Kurdistan or anywhere else. But there has to be room for movement and there needs to be a political solution. And I’m very concerned that we just seem to be having a hardening on both sides, and very little attempt to move forward.

AM: You saw those extraordinary scenes, like all of us, of Spanish police grabbing women by the hair and taking them out of polling booths, and you just heard Mr Dastis say that was fake news. Do you think it was fake news?
ET: I think for me the most remarkable pictures were of the police and the fire fighters and attacks on fire fighters by the police. I don’t think that was fake news. I think that is profoundly disturbing, and I do think that the Spanish government should take that seriously. We do not need and we should not be seeing scenes like that anywhere, particularly in Europe. And that’s the way in which you harden attitudes. And to then deny it is very
unfortunate indeed. I have to say, in the conversations that we’ve had with our sister party, the Socialist Party, you know, they agree with us that we need to be able to move forward in a spirit of some form of cooperation and we need to have proper talks with some substance and to be able to find a way through this.

AM: Well, talking about proper talks and substance and moving forward, Theresa May does seem to have changed the mood in Brussels this week. Would you like to congratulate the prime minister on finally moving things forward?

ET: Any progress Theresa May needs to be congratulated about. But also any claims for progress need to be looked at with a cool head. So there may be a change in atmosphere, but is there a change in substance? What has actually happened that has made a difference? So the Europeans are now saying that they’re prepared to have scoping talks about any future trade deal, but we need to move forward with the divorce first, and there seems to be deadlock with the divorce. It seems to me that the reality is we remain in deadlock on the divorce, they may be having scoping talks in relation to a future deal, but if we’re having all these problems with the divorce, how long will it take us to get a deal in terms of a future trading relationship with Europe?

AM: Well, you say deadlock, but directly Donald Tusk says, ‘after Prime Minister May’s intervention my impression is that the reports of the deadlock between the EU and the UK have been exaggerated. Our progress is not sufficient, it doesn’t mean there is no progress at all.’ And very similar warm words coming from Angela Merkel. I put it to you the mood has changed, things have changed.

ET: And we need to make sure that there is – things have been put off until December and we need to make progress in December. And there is no movement until then. I think that, you know, what we’ve seen over the decades is whenever you had these European talks neither side wants to be the one that says
that – you know, can be accused of having wrecked any potential deal, and both sides want to be able to go home domestically and say that they've won. I think what we may be seeing is the Europeans trying to make it clear that it is not their fault that there are these difficulties. The intransigence does not come from their side, it comes from Theresa May’s side. And in the end the reality is the intransigence is on Theresa May’s side because she doesn’t have the strength or the authority to be able to control her backbenchers, let alone her Cabinet. And I think that we are heading for No Deal, and I think that that is a serious threat to Britain and it is not in Britain’s interest for that to happen. We will stop that.

AM: Well, what we do know is the difference between the Labour Party and the government is that you would have no truck with No Deal. Perhaps by leaving No Deal on the table she has achieved this movement on the other side a bit. You have bolted the door against No Deal, which presumably means if they come to you and say, ‘right, the bill for separation is £60 billion,’ eventually you have to agree.

ET: We don’t know what the exact sum is because although we’ve made a number of freedom of information requests, we have asked them and we’ve asked the government on what basis it is that they believe they’ve continuing liabilities, as have the Europeans. We have yet to hear from the government how it is that they will be calculating what they believe our debt may be to the European Union, our ongoing commitments. And that is one of the things that is a big stumbling block.

AM: My point is that when eventually the Europeans says, ‘this is what we think that the sum is, this is what you’re going to have to pay, if you have ruled out No Deal, if you have said we will do a deal under all circumstances with you, you have to accept what they say because you’re in a much, much weaker bargaining position.
ET: You know, people understand this on all sorts of levels. If you’re trying to talk to someone, if you’re having a row with your partner, you know, you sit down and you try and sort it out, you don’t say you will do it the way I say otherwise I will walk out the door. That doesn’t work and you will not get an agreement from that. And from the very start they have been threatening No Deal, and that is not the way to go into negotiations. But furthermore, what we need to have made perfectly clear to the British public is just how damaging No Deal would be to our country. You know, massive great lorry parks at Dover..

AM: Alright. I just want to come on to what you think. Do you still agree that not being a member of the customs union would be disastrous for Britain?

ET: I think that we need to have is we need to have tariff-free red tape-free access to the single market. We need to be close to our biggest partners, the ones that we do the greatest amount of trade with, and exactly the form that that takes is not as important as the end result.

AM: That was a straightforward question, and you used to say it was a straightforward question, but you can’t give me a straightforward answer to say that we should be inside the customs union, as you used to say just a year ago.

ET: (archive) On this issue the answer should be straightforward. We all know that it would be a disaster for British business if we do not remain part of the customs union.

AM: (studio) Is that still true?

ET: We need to be part of a customs union, clearly we do –

AM: But not the customs union?

ET: How on earth is Ireland, the island of Ireland going to work without there being some form of customs union? You know, people who say we can have a frictionless border between north
and south and between Ireland and the rest of the UK and yet we’re going to be out of the single market and out of the customs union, it makes no sense. Of course we need a form of customs union. But in the end what we need is a British-style deal and a British-style agreement and not sailing off into the mid-Atlantic with no deal at all.

AM: Now, we’re given this March 2019 deadline at the moment. Is it still the Labour Party’s position that that could and should be extended?

ET: What we need to have is we need to have a proper discussion about how we get through the divorce and then, yes, we will need to have a period whereby there’s a transitional period in which we do the main negotiations, which will be about what our continuing relationship with Europe will be. What will be our economic relationship, in particular, with the European Union with whom we do so much trade.

AM: Very, very quickly, in March 2019 will we leave the EU? Yes or no.

ET: Yes, we’ll leave the EU in March 2019 and we hope that the government will have sorted out a proper divorce between now and then, and the Labour Party will be making sure that we keep them honest.

(ends)