



GARY GIBBON IN CONVERSATION WITH KEN CLARKE

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Ken Clarke has spoken to Channel 4 News' Political Editor Gary Gibbon at an "In Conversation with " fringe hosted by Channel 4 and ITN.

- GG Welcome to all of you and to our guest today. Enormous thanks to you for coming. We are joined at Conference today by someone occasionally known for their ever so slightly dishevelled appearance, their rejection of group think, mass following in the country, famous for their hinterland and their sense of humour. What do you think about Boris?
- KC Is that a genuine question about Boris? He's a great entertainer, he's a great personality and I get on with him. He is actually a highly intelligent, highly educated guy. If I were giving advice to Boris I would say that to be named as the next Prime Minister but two, or to be named as the next Prime Minister is usually the kiss of death in any political career, certainly when there isn't going to be a vacancy for years to come. So I think he's got some time to contemplate.

- GG Do you see anything of yourself in him sometimes?
- KC Boris? I don't think so. I mean they would all like a sort of insight really. When you say I'm sometimes dishevelled, which of course I promptly deny, I think probably my dress sense and my turn out is no more perfect than Boris's on a number of occasions. I have this eccentric habit of wearing strange shoes, he's quite orthodox in that respect, and no, I mean he enjoys it, I think that's the comparison we have but no, his approach to politics is actually quite different to mine. I mean he enjoys it in a different way, he just likes treading the boards and he likes all that, which I do, but it's incidental to. I think I've a slightly more earnest interest in governance than Boris has as far as I can tell.
- GG Yes. Do you think it might be hard to be less interested in governance? I mean how serious is he, how disciplined is he as a senior politician and if you'd won the leadership, and I seem to remember you had a few shots at it, what would you be saying to him at the moment? He's about to charge in there and march all over...
- KC Oh no, I don't mind, I've never sat down with Boris and given him serious advice. We know each other very well, we first met years and years ago when he used to be Conrad Black's acolyte in Brussels trying to undermine what I was doing as Chancellor there but we've sort of, you know, always got on quite well. No, if he really wants to be Prime Minister, I mean for serious reasons, not just because he's getting his picture in the paper more often, I think he will have to settle down and demonstrate it. He can seriously deliver on some complicated subjects but that is... I wasn't intending to come here and start offering rather patronising advice to Boris Johnson. I get on very well with him but the fact at the moment it's terribly

fashionable for suddenly everybody, everybody in the media see Boris as an aspirant Prime Minister to be, I thought this is disastrous for Boris, unless he gets his back under control, because, you know, it isn't going to go anywhere and by next year it'll have gone out of fashion. So nose to the grindstone I think I would advise him if he was prepared to put up with my giving him avuncular old boy type advice, that's what I would advise him.

GG I'm sure it will be conveyed.

KC I mean as Police Commissioner, his main job in London is to be Police Commissioner and the Metropolitan Police actually have quite a lot of problems and he is the Police Authority and there are many more various things that the Met keep getting into the paper for all the wrong reasons, it's obviously the Commissioner has a difficult job leading the largest Police force in the country. I mean, you know, Boris has been brilliant with the Olympics. I think he should turn to Police Commissioner now, I'm sure he can actually deliver something by way of public accountability and helping the Commissioner raise the [00:04:45] of the Met Police. That's getting very avuncular but Boris will give me advice on what I should do without portfolio if I'm not careful.

GG This is the sixth of these discussions we've had, conversations, and in the others they've tended to be politicians close to the very early stages of their careers.

KC Well I'm not [00:05:04].

GG So what I thought, I might take you back, rather than taking you all the way back to childhood I'd like to take you back to your parliamentary childhood. You came into

the House in 1970. What was the parliamentary Tory party like?

KC

Oh it was totally different. It was socially different. I mean we had very rigidly, rather class based politics. The two parties contrasted visually and culturally in many ways and it was trying to change, which is why we had Ted Heath as leader, who was not a knight of the shire and had this, you know, very meritocratic background, but no, there were these solid knights of the shire with strange names like Sir Tatton Brinton and Sir Jasper More and Sir Waldron Smithers have gone and heavy tweeds on Friday, heavy suits in mid-week, black jackets and striped trousers on Budget day and doing their thing for their county and people like me, the rather young, more earnest, very political meritocratic and, dare I say, rather ambitious young men who were coming in, were sort of slowly melding in alongside these tremendous guys who were knights of the shire doing their job for the county and holding their party to account and who were a quite different style of politician. All of them would have regarded any offer of ministerial office as an insult and something they weren't interested in, didn't have time for and so on but they weren't buffoons. I had quite a lot of respect, because I was a Whip in those early days, for these old knights of the shire, they had their heads screwed on the right way, some of them, some of them were just younger sons who'd been sent to the House of Commons in order to keep them out of mischief because there was nothing else they could do, but there were some very, very sound ones and when they started giving their heavy opinion about what the Government was doing right and what it was doing wrong it paid to listen to them but I mean I won't go rambling on but already what

I've said I think indicates it was a totally different parliamentary party to the one we have today, absolutely totally different.

GG But Ted Heath was in charge of them. You said some positive things; you continue to say positive things about a man of whom few people speak positively. Was he misunderstood?

KC Well yes, I was a follower of his, an acolyte of his, I was a pro-European. I mean the only thing Ted achieved in his period of office really was what he wanted to achieve on the European Union. He got us into the European Community, which I was in an absolutely miniscule way involved with because I was at the Whip's office when we passed the Bill. Then, as George said in his speech this morning, I mean the terrible, terrible error Ted made was his U-turn on economic policy. Every Government I've ever served in has been unpopular in its mid-term between elections. I mean good governments are always unpopular in mid-term, particularly if they're dealing with a recession and Ted did a complete U-turn in cahoots with the Cabinet Secretary and a few others and it was a catastrophe. We suddenly made a dash for growth and started spending money and Reginald Maudling, you know, sort of lost control of it all and with hindsight it was the more sensible people in the party who shook their heads and just regretted that we'd gone in for this populace nonsense, responding too much to criticism. Now it sounds like there's a steam engine out there. Is somebody going to fix the microphone?

GG There's something howling a bit.

KC That is a defect in the sound system.

GG There we go. It hasn't quite gone, has it?

KC It hasn't gone at all. It could be somebody booming at us.

GG It could be. It could be you're a sceptic. Back then Europhiles, your section of the party, would have been comfortable in the majority?

KC Yes, we relied on the Jenkinsites to get the Bill through. It was quite interesting, the Communities Bill. In those days anti-Europeanism was something for the old right and the hard left. The real socialists new you couldn't have a command economy if you joined the European Community, it was a cold war sort of organisation, they didn't want to join it, so they were very anti, and then our Empire loyalists, our Commonwealth men, right wing people who thought Britain's destiny still lay in the old Empire, they were against it and the solid centre of politics, one nation Tories, who were the vast majority of the Conservative Party and the Liberals and the Jenkinsites were all pro and we had all the usual parliamentary palaver of working out when the Jenkinsites could afford to vote with us and when they couldn't and trying to manage a majority through, but the Conservative Euro scepticism was different then from what it is now; the Conservative Euro scepticism then was a belief in our imperial destiny and the Commonwealth and that we still had a duty to the old Empire and Derek Walker-Smith, and people like this, found it very impressive. He was a nice chap, Derek, but he did sound like an Edwardian Conservative politician, was the leading light propounding about what a mistake it was to go in with our old foe on the Continent and this sort of stuff and that it was the left who were really the Euro sceptics of those days.

GG But now you're in a minority almost of one in your party.

KC No I'm not. There's quite a lot of pro-Europeans, there's a Conservative group even still. I mean I'm in a minority but it hasn't shifted that much. I mean I think to be fair to my Euro sceptic colleagues there's a great solid bulk of them who are pragmatic Euro sceptics. You know there is obviously a fringe who are just extreme right wing nationalists but that's not where the Conservative Party is, there's a minority, I kind of see the pro-Europeans. I'm perhaps one of the more cavalier about being open about it but it would seem to be ridiculous to pretend that the views that I've been quite open about for 40 years are suddenly ones I don't hold.

GG Well you're in a party now that is contemplating going to Europe and saying they want to renegotiate the terms, repatriation of a major number of powers with a referendum at the end of it. That seems to be the most likely scenario for the next Conservative manifesto.

KC Yes, I mean it's being canvassed at the moment. I mean there is no doubt that Europe is going through a period of profound change. I mean in the history of the European Union we're going through one of those strange and incalculable periods. So I mean it is divided between the Euro zone and the rest and obviously once we find really where the Euro zone has settled in the relationships between the Euro zone and the rest have to be readdressed because we must keep intact the single market, must keep intact all the economic benefits we have of having the largest, you know, domestic market, as it were, in the modern world and also all the advantages we have of an ability to work together with our European partners in international events because we've got to keep the power and influence of Europe in the world up. So there will come a stage when all that

can be readdressed. I think at the moment there is so much uncertainty in the immediate outlook, both politically and economically, for Europe and several other parts of the world that it's not going to start straightaway but then it will be a process of negotiation.

GG You know Europe well. People who go to Europe and say, "Actually we'd like all that Union law that we've been putting together over the years, all those treaties, we'd like to completely unpick them and start with a special set of circumstances for us, Britain", that's going to go down like a...

KC Well when you negotiate you've got to work out what the other people you're negotiating with are going to be prepared to talk about.

GG What's your estimate of just how much they would be willing to give back?

KC Well actually I think it's far too soon to say because of the reasons I've given. At the moment there are much higher short-term priorities. So getting this process underway actually is going to be very, very difficult until we're rather clearer about exactly how we emerge from the present crisis and, as I say, it's quite clear that arrangements within the Euro zone are going to have to change. They've also had rules on physical discipline and they never stuck to them. So they're going to have to have some enforceable rules and all this kind of thing. All the others, apart from ourselves and Sweden, are, of course, aspirant members of the Euro zone but as long as there is a large group outside, you know the negotiations between them and the Euro zone, you are going to have to address that and the British have always said they want to address some features around that.

GG You're being very phlegmatic about it.

KC Well I don't think there's an imminent crisis at all.

GG But all the signs are, and it'll be in your party's manifesto at the next election, a referendum on Europe. You've cast the odd word about referendum.

KC No, why do you think...?

GG On the basis that quite a few senior people that I've been talking to in the party have been very close to the decision.

KC Well, again, my views on referenda are perfectly well known and I think they're a funny way of running a modern country but I accept that that is a generation thing. Politicians of my generation, we're all against referenda. You know Margaret was most vehement than most and the idea of these hugely complex questions are subjected to one opinion poll has never struck me as a great way of running a modern state and no-one's committed themselves to a referendum. It's extraordinary for any government to suddenly have to pitch a great question of many, many complicated ramifications to a yes/no referendum. Presumably the Government all campaign on one side, do they, or do they all rake up and campaign on different sides? If the Government loses does it resign or does it pretend it's completely changed its mind and carried on as if there was never a referendum? I mean Harold Wilson's referendum was a catastrophe, he's Government divided, the losing side took not the slightest notice of it and everybody carried on as before. So no doubt it's being considered and it's not being ruled out by David Cameron but the assumption that the next Conservative manifesto is going to have the

commitment to a referendum of some kind, my God I'd be cautious in rushing into that.

GG Yes, a renegotiation followed by a vote is more likely to be a referendum than a general election.

KC Well if you renegotiate, which we are contemplating, and as I always say you don't have to because the Euro zone changes things, if you renegotiate the basis of our relationship with Europe in order to defend British interests to make sure our voice on the future of the single market, our voice in international affairs where there's a European dimension is not diminished and of course you've got to get the consent of the British people. My understanding is, because it's early days and it's very unclear, David is being perfectly open as to how you can get that consent. He doesn't rule out a referendum. I find a referendum very attractive but the idea that at this stage, when we haven't embarked on any discussions, we suddenly, for some reason, start committing ourselves to a referendum on the outcome of negotiations is extraordinary.

GG But you haven't started negotiating with them but there's been an on-going party discussion about this for a while and about half the party in Parliament would like to see you somewhere close to Norway.

KC Oh there's been an on-going discussion in the Conservative Party, putting it mildly, on the question of Europe for about as long as I can remember. We got ourselves re-elected and we shut up about it and all agreed to proceed on a pragmatic basis that what was in the British interest was going to determine our approach to Europe. The Coalition Government, actually, I don't think has got into any trouble on Europe because, you

know, if we all stop, including pro-Europeans, if we all stop attitudinising and going with our instincts and just sit down and say, "What is the British national interest in this subject?" we all proceed very well. William gets on very well in Europe. George gets on very well in Europe. The British Government actually has looked after its interests in very, very difficult crisis ridden circumstances by being pragmatic about it. You know I can remember in the Major Government when the only thing Conservatives would talk about in public was Europe. The public thought we were going mad and it made us unelectable.

GG We were treated to a bit of a curtain raiser at this conference. There was talk of...

KC Well only people trying to win your love.

GG Yes but your leadership.

KC No.

GG They were talking about the veto, they were talking about splitting the Budget, they were talking about restricting the EU movement of labour. How do you think that will go down?

KC Well the EU Budget is... I get infuriated by EU commissioners who just assume that all this constraint in public expenditure doesn't apply to the EU Budget. They are the worst kind of departmental ministers, just assuming that the Member States will give them an enormous increase in their Budget and the EU Budget is already quite big enough, bearing in mind I'm in favour of restricting it, and so we do take an extremely tough line in negotiations but its negotiation. You've got to ally yourselves with the Germans, with the Dutch, with the other people, the heavy contributors who feel very strongly that this has all got to be constrained at a time

when we're all having to constrain public spending. So I don't mind talking about the Budget, somebody's got to have to talk about the Budget.

GG Restricting the movement of labour is one of the great policies.

KC I mean within the single market, you know freedom of movement of labour usually, and there are lots and lots of British people who take advantage of the fact they can work quite freely across the European Union, so we're not abandoning freedom of movement. We have, in the past, had conditions on particular countries and particularly some of the emerging economies and so on who want to reopen negotiations on some aspect of that, well other countries do from time to time, but this is not going back to the sort of extraordinary neurosis which gripped the party on the subject 10/15 years ago, or I hope it's not, or I'm sure it's not, it's not as far as my colleagues are concerned.

GG You've been able to observe David Cameron close up. Do you think he's one of those people who would have seen the problems in Europe and thought, "Yippee, at last, a chance to renegotiate the British role within the European Union" as some in your party would have done? Is he one of those people or is he someone who just puts his head in his hands and thought, "Oh God, I'm going to have to start bending to the right and there's going to be a whole load of demands for this"? Which type of...?

KC Well the party have always talked about renegotiating our relationship. Now actually, as I've said, from my perspective the fiscal crisis, the current credit crunch and its consequences, including its consequences for the

Euro zone, have altered things. We are going to have different relationships and so long as you realise that what you are contemplating is a negotiation, and actually that some of the subjects we talk about are quite complicated and that in negotiation we have to win some allies, we have to concede some points, we have to win some points. That, I think, is a perfectly sensible process and I think the best approach for the present Government and for the Conservatives is the pragmatic one I've talked about. I can't see how anybody can disagree with the proposition but the first question we ask ourselves when faced with the specific European issues, what is in the best interests of the United Kingdom. That's how everybody else approaches membership in this union of Nation States and that is how I personally contemplate it will continue and then once you've negotiated something, then obviously you have to win the political battle here to persuade people that we can achieve an improvement.

GG So if the Tory Party were to come back, majority, in the same way renegotiate, let's say, I can't think what, the Dogubank or something halfway between Belgium and Norway was a new sort of status.

KC Well I don't think that's where we want to be.

GG Well that's what I want to ask you.

KC The one thing the United Kingdom should not do is marginalise itself at a time when we are in a globalised economy and typically an independent world and great intervention, great changes are taking place and I can't believe that any Conservative Government or Government with Conservatives in it is going to do that but we are, as Conservatives, very conscious of the national interest. We are not going to be blindly going

into things that we think are not in the interests of this country. That approach to all these international issues, I think is a sensible one. I think it's the one that we have been adopting.

GG And should that include keeping the door open to potentially one day going into the Euro?

KC Well I don't personally expect, the situation in Britain has become, I can't contemplate us going into the Euro in the foreseeable future. I mean it's just not, it's not going to happen. The British have got themselves a complete fixation on the subject.

GG Can't quite say ever though. You don't feel

KC I would never say never about anything, otherwise, Joe Chamberlain will have said some very curious things
0:22:30.5 ?????? said that we would never do various things but no, no, no, as far as today's politicians are concerned, the idea that Britain is going to join the Euro is complete delusion.

GG So have there been a bit of a 0:23:40.2 dream on it then?
It's not all of a dream?

KC Well ?????????? it, they didn't follow the rules that I was one of the Finance Ministers who spent our time drawing up when we were designing the blasted currency. If it had stuck to the rules, the rest of the Euro zone would be one of the stronger parts of the world economy around the weakest, instead of which they allowed themselves to get dragged, along with the British and the Americans into the worst of the credit crunch. We had strict rules on fiscal discipline which were ignored. They let in Italy, which didn't comply with the Maastricht criteria and it got worse. They let in Greece, they let in Portugal regardless of the fact they were

plainly not conversioned economies. They knew nothing. You know, they were as bad as the British and were as bad as the Americans in not controlling the credit boom. Thought it was marvellous, free money for everybody and so when the crunch comes, the Euro zone's down there like everybody else. Some of them had even got – not many – bigger deficits than the British and it's, you know, having a terrible knock-on consequence. We are all damaging each other as the Western world struggles to get out of this difficulty. Now I will argue it's easy but the little coterie of finance ministers in the mid 1990's could say, if only you had continued to follow what we all appeared to agree on then, you would have rescued the Euro zone from these terrible problems that you are now in because they should not have erased the Maastricht criteria, they should not have taken in non-conversioned economies and most of all, you know, they should not have started running up huge fiscal deficits on the basis that there was free money that you borrowed all the time.

GG If Europe is coming back onto our agenda, we talk about one premise that you knew, but what are the lessons from John Major's period about how a Conservative leader should deal with the hard line Euro-sceptics?

KC Well, there was always going to be range of opinions on these things and there remains a range of opinions. I say I believe that the main thing to do is, my approach to a lot of political problems is to be pragmatic. Ask yourself what you are trying to deliver and what you're trying to deliver is the best outcome for the British people, British Government. Not too much theology, not too much ideology which merely gets in the way and could lead you to very silly conclusions but the history of the major Governments, total disaster as we got more and more

worked up about Europe and it's obviously a lesson to us all. The one thing you shouldn't have is a flaming civil war all the time with each other.

GG Were there any other lessons though in terms of the man management? Did John, I know you were close to John Major but did he cave in too much? Did he give too much ground to a force that can never be satisfied?

KC Well, you can theorise as much as you like. I mean, obviously I am a friend of John Major's. I was one of his loyal colleagues then, and there weren't many of them in the Cabinet, but I undoubtedly was and I believe that it wasn't John's fault. It was just hopeless. He didn't have a majority or anything and there was an obsession that had broken out and we were unelectable in 1997 and it was just, the idea there was, if any members of the Conservative Parliamentary Party thought we were going to get back into Office, they must have been out of their minds. They obviously hadn't done any campaigning for a bit. It had nothing to do with Mendelssohn's brilliance, Alistair Campbell, new Labour, all that rubbish, three turkeys could have beaten us in 1997. The party had manoeuvred it's own position. It was rather like Gordon Brown in 2010 – completely unelectable and finished and, you know, it was a very long time before the present Government, hopefully a Conservative Government on its own 0:27:54.8 ?????? to a similar position.

GG You, ?????????? with the right on the march, Europe back on the agenda, a Government without a majority – I am hearing some echoes there – some people say that....

KC No, no, no. I am a very comfortable member of this Government. I think this Government has done remarkably well. It's a question of what you expect us to

achieve this quickly in two years but it's a time of unique national crisis when we'd failed to win a majority, we managed it thanks to a coalition and thanks to a very, very clear head, produced some stability, we are reasonably on course to get out of the mess, we are being admired by the outside world. I mean, the core of what's happening at the moment is Britain is regarded as a leader. How to tackle some of the worst features of the credit crunch and the debt deficit crisis and that is quite a remarkable achievement and all this other stuff about, you know, that you touch on – the commentary stuff – has to be put in that context. It is regarded by the outside world as an extremely strong Government that has demonstrated very forceful leadership on the economic problems which dominate us and the rest of the Western world.

GG With your experience as a Chancellor, do you see green shoots?

KC Well I think that it's healing as somebody said. No I don't, I will take the very cautious pessimistic view, which you can't do too much in politics. I never thought we were going to see strong growth after two years. I mean, who on earth thought that was likely to happen, when you saw what we've taken over.

GG I think one name comes to mind.

KC No, no, I don't think any of our colleagues sort of telling you that. I have always said it would take three or four years to get back to normality from the way it started. I got into a bit of trouble early on when I said I thought a double-dip recession was quite likely. I mean the whole of the Western world's obviously

GG Triple-dip possible?

KC

Well, we are in a double-dip at the moment. It's extremely difficult to foresee. Internationally, it's extremely difficult to see hopeful signs globally. America, China and the Euro zone don't fill me with huge optimism. I do think here, you see sometimes appealing. I think the creation of Private Sector jobs has been spectacular, surprisingly good actually. I think there are sectors of our economy doing really well but it will require more constraint, it's going to require more structural reform. George said this morning, "We are not going back to the economy we had, we are going to have an economy that will face the changes that are taking place" so we've got Asian competition, we've got global competition, some modern economy we've got to create. All that takes some time. I mean, you know, the Ed Balls theory is all we needed to do is go a bit more slowly and borrow a bit more money and we would now be in our sunny uplands, is frankly ridiculous, utterly, utterly ridiculous and I think we have been doing remarkably well. You look across the Western world, there isn't, you can see minor differences of growth or deficit or decline, whatever, but there's nobody doing better than us and we started with one of the worst problems. We were, you know, the corporate house or Government debt were the second most indebted country in the G20 after Japan. Gordon had left us a catastrophe, total catastrophe and I think the public are better than the journalists and the politicians. and appreciated that, which is why we have been able to manage compared with other countries. Very difficult decisions and 0:31:48.5 ?????????? well but that polling, which has been there for the Government economic policy is slipping. People are finding it harder and harder to have faith that there will be light at the end of the tunnel it seems because the tunnel seems to be getting

longer and longer. Polls are better mid-term than any other Government, I would have said. I mean 0:32:07.5 ?????? recession. We are having to take some difficult and unpopular measures. Although the public, I think most the bulk of the public understand that, rather better I think than you would imagine from reading and hearing the commentary in the media and of course every now and again they get brassed off so if you ask them who you are voting for, they don't quite so readily say they are going to vote for the Government again. What they'll judge us on is at the end of five years, did we do the necessary things, are they plainly having the desirable effect for the long term? They will also ask us is there a remotely credible alternative which, having a bit of the good luck which Margaret had when she had difficult things to do, we haven't got a credible alternative Government in this country at all but I mean I prefer to rely on the positive and we are retaining quite remarkable support. We don't have an old left, like we used to, so we don't, thirty years ago, we would have had the riots on the streets and in the 80's, we did have constant strikes and all the rest of it. We are not like that now. A bit like the Irish. We are prepared to accept that there have been terrible, terrible mistakes made and some strong Government's got to do difficult things to put them right.

GG You can buck the trend of history and the general rule of history and be a Government in power that increases its number of members of Parliament from one election to the next.

KC It has been done.

GG It has been done but is that your sort of central prediction, your guess based on a lot of history?

KC

Well it all depends on our continued delivery over the next two and a half years. The next two and a half years are going to be just as difficult as the first two and a half years so again, it all depends on our firmness and purpose which George was expressing this morning. Very reassuring it was that we stick to the task. We deliver it and then, yes, we certainly could. I always cheer my colleagues up by, I remind them of a comparison I often make myself of 1981, Margaret Thatcher and Geoffrey Howe's '81 budget, half the party said it was dreadful and, you know, we were cutting public expenditure in the middle of a recession and all this sort of stuff and I always cheer my colleagues up by saying, "Well, we then had 18% supporting the polls, 1-8 per cent. The Labour party had split in two and both halves of it were comfortably ahead of us, miles ahead of us in the polls and we beat them in 1983" whereas people sat down and looked back and they said, well, somebody had to do it, it was sensible, it's getting better, they looked at the Labour party and thought "Oh my God, we're not going back to that" and the, 0:34:56.3 Ed Balls, the Shadow Chancellor ?????????????????? put the Labour party back in charge of the economy so there ??????? as well but I hope the positives will come through as well.

GG

Can I ask you a bit about your new job but starting perhaps with how you hear about it. I remember reshuffle day, getting a phone call from a special advisor to a minister and one from another minister saying nervously, "Has it happened yet? Have you seen anyone going in or out? Am I in or out?" and that sort of thing. Were you biting your nails that day?

KC

No, no. I have long ago stopped just stopped negating the phone whistling sort of ??????? I have been in

endless reshuffles and this one was, there is always something goes wrong in them. This one struck me as, it did have it's moments which I won't share with you, not so far as I am aware it didn't, but it was more straight forward than most. I think I was probably the first person David saw and I heard quite early on so I went in and had a chat with him and the, I had expected to be leaving the Government. I had a two year understanding with David. When I came back, when he was standing up at the front bench, I had said to him, you know, I am not coming back to the front bench but then I have had another couple of years as a minister so we agreed a couple of years. I was meant to be Business Secretary, that was the idea, that's what I was preparing for, so when that had to go to Business, I went onto Justice but I thought the veteran members of the Cabinet would be gently invited to step down and may way for young, ambitious men and so then we got onto, he was, didn't want to change to Justice Secretary but he, we discussed this role, he wanted me still in the Cabinet so then I find myself like an old political anorak still in the cabinet and still enjoying the whole thing, mapping out a new role for the umpteenth time. I have lot count of how many times I have been reshuffled.

GG Tell us a bit about that role because you have got an office, staff.

KC Yes.

GG Do you see all Treasury papers or?

KC The first thing is, and I am obviously still in the Cabinet, which is very good then, with encouraged by my colleagues who are no doubt trying to flatter me, they keep chatting me up and gain my opinion in the Cabinet but I am on a whole lot more Cabinet Committees

including the National Security Council which is a particular Cabinet Committee which meet up at the Cabinet usually and which is going to be interesting. It's quite a key Committee so I am on Economic Cabinet Committees, some other Cabinet Committees. I am on, that's my home affairs and Europe. There's, I am Deputy Chairman of Home Affairs, I always have been on Home Affairs Committees, one with the European and one that I am on, so that's my wisdom for my colleagues to avoid and sort of really listen to me and realise why I am wrong and carry on if they wish but I compete with all that. On the economy, some of the Committees are economic. I will give advice and intervene as and when invited to do so by George or by Vince or by both of them and there are key things that I am looking at, key things that I am studying, key things that I can offer opinions on.

GG

What sort of headings?

KC

Well, when I come to some worthwhile conclusions, I will let them know but I am working out where I could make a positive contribution to economic policy but all this stuff about my devising an alternative one is a load of old rubbish. I say there are no members of the Cabinet more firmly behind George Osborne's economic policy from when we were in opposition, let alone in Government than me so anybody who thinks I am a plan B man is completely up the creek. That's, shall I say, the two Eds are into plan B, not me but then the other thing I am going to do is I am probably going to intervene with investments and trade stuff, which I have done in the past, because we are trying to develop our role in emerging markets and so on and for the future of the economy, I suppose that's a kind of combination of this which an ex-chancellor, ex-DTI minister can actually do. I have done plenty of things

with businesses, trying to build up overseas markets or attracting good investment. I like doing it. It's a suitable thing for an older statesman to be doing I think.

GG Did you say then that the Chancellor decides what you get to look at or can you?

KC Well I would never do anything that the Chancellor doesn't think is any use, is useful and I think every now and again, George will suggest things to me, he would like me to go in and have a look at, I 0:39:31.7 ?????? things like ?????? but it's up to him. The party conference season is slightly interrupted by ???????? but it's forming.

GG There's instances that they were just too frightened to have you outside the cabinet?

KC Well I did think that. Do they prefer me in the tent looking outwards to outside the tent looking in and this unworthy thought was dispelled. I mean, flattering but I **RECORDING BECOMES A LITTLE DISTORTED FROM HERE** 0:40:03.0????????? a million miles from my mind so I will be sitting ?????????? across my mind now, why am I ????? unexpectedly being asked to stay on and I was genuinely persuaded and I remained persuaded that they actually liked having my typical contribution to discussions and indeed they were inviting me to join a whole lot more things and subjects that I hadn't had the time to be involved in. When I was Justice Secretary I was now moved from the enormous heavy burden of running a giant department, which I have done on and off for years, to a more policy-based role and subsequently, I am still doing my bill, which is half-way through on the way in which spies and intelligence evidence might be heard in civil actions in Court and I am still doing that, the Justice and Security Bill and some other things.

GG Yes I want to ask you about that, just before I do that I think that Margaret Thatcher in her memoirs said she got you in the cabinet because you had been too much trouble outside....

KC Well that is probably because my friends persuaded her eventually to put me in the cabinet, she was remarkably reluctant. She used to say I was not one of us as she put it and so my friends had to keep persuading her, and when she put me in the cabinet I got on remarkably well with Margaret it was a privilege to be in Margaret's Government, terrific Government, changed the nature of British society more than any Government in modern time so it was a real privilege to be there, and it was extremely enjoyable. I used to have a tremendously robust relationship with her and argued the toss half the time, all she ever did was promote me. She got [unclear background noise 41.59] She liked it, she enjoyed a good robust political argument, she liked somebody who knew their mind and sort of might actually be able to deliver something, and we, you know it was a pity it almost soured when she fell from power, but it was great being in Margaret's Government. I always say it was great fun as long as you can stand the hassle and there was a lot of hassle, but once she got me in the cabinet she never got rid of me and I was in the cabinet, you know...

GG Well [unclear 0.42.24] but you slightly got rid of her....

KC Well I didn't get rid of her, she had invited me to be her campaign manager for the second round and I invited on the phone someone indirectly to be her campaign manager, and I said 'What second round, you know she has been beaten, I probably wont vote for her in the second round. I had in the first. Do tell her that she really should step down'. It so alarmed her that when she was

seeing the cabinet she saw me first and we had a very friendly conversation where she tried to bump me up and get me out of, she said I was being defeatist, I said she had been defeated and when [unclear 0.43.06] the first member of the cabinet with this opinion that really unfortunately she could not possibly get back from this position and she should stand down. So then people developed mad theories that this had all been some sort of plot by disloyal colleagues, which unfortunately I think she was semi persuaded to believe at the time. It wasn't that at all, I had been a perfectly loyal supporter of Margaret Thatcher's I voted for her in the first round, but I think the advice I gave, looking back, was sensible, correct advice. She would have lost in the second ballot, she had not chance of going on and it would have been folly to crash on in that way, it would have done terrible, terrible damage to the Government.

GG She described in her memoirs your manner was robust in the brutalist style he has cultivated.

KC Well she was robust in that particular version of the brutalist side that she had cultivated, but it wasn't a quarrel we, it was a perfectly friendly conversation. The two of us were being, I think Margaret Thatcher and myself are at times given to candour, so we were being perfectly frank about our widely divergent opinions about where we were and what was going to happen if she fought on, and I was firmly of the view that she had not chance of winning the second ballot, that it would do terrible damage to have another week of her against Heseltine, that she should release John Major and Douglas Herd from the promise they had given not to run against her and gracefully bow out, and she was equally, typically Margaret, convinced somehow with one final

effort she could dig herself out of the political grave and get back to win. Well I, sometimes it is easier than the Prime Minister to be in touch with the mood amongst the Parliamentary party, and the mood amongst the Parliamentary party was that was it, you know, she would have lost votes if she had gone on to the second round. That's all history now [unclear 0.45.10] but at no time did I ever fall out with Margaret when we were in office together, not personally, I had quite a lot of political disputes with her but we used to sort them out, and she would give way sometimes. She was dreadfully opposed to my health reforms of course I had to [unclear 0.45.25] to those.

GG Talking of robust and brutalist the new Justice Secretary is someone not entirely in your mould, some people might....

KC [unclear 0.45.35] ...

GG He has already starting talking about or letting it be known that he isn't as concerned as you were about the prison population going up. He has started talking, letting it be known that he is interested in more severe community punishments, he is on a different more right wing agenda isn't he?

KC Well in respect of the conversation, I think that it is just a [unclear 0.46.00] life of politics inevitably because we are all the time in the popular debate, that probably doesn't get caricatured slightly, so it does matter how Chris Grayling and myself, you know, our style is different and we do have, I am sure, some differences of opinion in the overall base of the Conservative Party but it is exaggerated, you know, the comments about these things can take on a cut out cardboard character which

isn't actually the case. There are a lot of things which Chris Grayling and I agree upon, when we are in opposition together and in Government together the principle thing that I was engaged on was doing something to make prisons cost less and have better regimes and to be more successful in reforming criminals, turning out people who weren't criminals anymore and so all that getting work in prisons, tackling drug abuse, Chris will be as keen on that as I was and I think we had set quite a lot in motion, we had got an agenda, I mean he is perfectly free to announce policies if he can get collective agreement on them as I had to, different things move on. He hasn't yet said anything that is actually different from what I was doing. The idea that I kept saying that I was reducing the prison population was completely [unclear 0.47.18]. kept saying the Judge would determine who gets sent to prison and I did think just raising it for the sake of it, which our predecessor did was crazy it just changed headlines, got more and more people sent to prison for longer and then they had to let them all out half way through, something which we have not been able to reverse, and then they had to start letting them out before the end of the sentence, it was fairly ridiculous so either going out to tender or for the management trying to reduce the cost per prisoner. Trying to get a more reforming element into prisons so that fewer of them come back so quickly [unclear 0.47.58]

GG Do you think Ian Duncan-Smith would have been a good Justice Secretary?

KC Yes. I mean Ian Duncan-Smith and I, I mean Ian and I both will appreciate that he [unclear 0.48.07] Ian Duncan-Smith I first knew. Ian is fantastic on welfare reform and fantastic on social policy. His prison's not quite the same

as mine [unclear 0.48.16]. He is more the Christian right than I am but nevertheless he is doing absolutely remarkable things on welfare reform and I am sure his approach to justice would have been fired by the same thing. I mean again I have no idea what would, it was only the newspapers suggest that he was going to get a Justice...

GG

You...

KC

I really don't know anything about that, and I have been known to kind of be quite sceptical about what I read in the newspapers, I mean I quite often

GG

No but you can trust TV?

KC

[unclear 0.48.54] sl. note to me. Well you can see who is saying it on TV, you know who to blame. You never know quite who is saying it in the newspapers.

GG

Because when I spoke to [unclear 0.49.05] that reshuffle did seem to a lot of people's eyes to suggest a shift to the right, I guess it was staying put, and also there was a certain lack of Prime Ministerial authority, [unclear 0.49.19] to say sorry I am not budging and slightly embarrassing for the Prime Minister who was meant to be maximising his authority at that time, Chris Grayling moves to your department [unclear 0.49.27] some not John Hayes is sent to try and get some wins on wind farms which is slightly going against the old Cameron approach that we knew in opposition. All those things together and there was some others as well, suggesting a rightward shift?

KC

Well I don't view that, but also I don't know which of the rumours are true are not because I wasn't involved directly in any of these. I had one conversation with David, I talked about the [unclear sl. budget – 0.49.58] he

wanted me to do. We talked about one or two of my colleagues, junior colleagues that is, but [unclear 0.50.05]

GG Did you put the mark on...

KC No, no, no I did not put the mark on Ken or anybody, no people were going to get sacked. Some people were unluckily sacked they always are, I mean reshuffles are always like this and the worst part of the job any Prime Minister is to have to ask colleagues to step down to make way for new ministers and all Prime Ministers have to do it, and I am sure that David hated some parts of the job as much as Margaret did, as much as John did...

GG This is where a glass of wine comes in handy isn't it?

KC Well I don't know if that is true either, it is all trivial gossip. The actual, I am not going to go through, having said earlier on we all get caricatured, the list of new appointments, the new members that have got into the Government. I could go through and say 'tends to be right wing, tends to be left wing, tends to be right wing' but that's balanced, it is quite balanced geographically as they always have been. It is quite balanced in terms of position inside the Conservative party actually. There may be particular subjects where presentation, [unclear sl. - it leads – 0.51.21] a shift to the right, but there are other subjects where the ministers who have been appointed are, you know for the want of a better word, are more moderate left wing, one nation [unclear 0.51.24] and the Prime Minister is a one nation Prime Minister, and so it is, I thought it was, I know some of the people promoted better than the commentators do and I am not looking for a story angle. I personally thought it was quite a balanced reshuffle it has kept the one nation character of the Government.

- GG I wanted to ask you about one particular area, one that has been under your, years ago when you were Home Secretary, I just wondered what you thought of these elections for Police Commissioners and potentially people being elected on perhaps 6% of the vote from
- KC Well we got a [unclear 0.52.00] of public interest yes that is slightly, I think we are beginning to arouse public interest but for the activists here at this conference are all now going to have to try to really raise the profile of the campaign because it would be unhelpful if we had a tiny turn out. We face the usual problems of the cynicism of people about politics and political life. I mean the turn out in British elections at the moment is woeful at all kinds of elections, but these [unclear – 0.52.30] oh it is not anticipated for failure to get people out, we have to hope that as we get nearer to it it can be brought to life more.
- GG What qualifies as a respectable threshold?
- KC No I am not going to put a figure on it because [unclear 0.52.48]significant proportion of the population taking part because they ought to take part. The attempt is being made to make the Police service more notably accountable to someone who himself or herself is directly accountable to the public, so they will need a good level of public participation.
- GG Just more broadly on the coalition itself and watching it as you do, you probably never thought you would see?
- KC No, that's one thing that keeps me enjoying the job so much, I mean firstly I have never been in a crisis this bad before. The Labour party always hand on the economy in ruins, throughout my lifetime you know, 51, 70 it is always the same you take on an economic crisis from the Labour party and never on this scale, probably not since 1929

which you will be amazed to know is before my time, and the last time we were left quite such a big mess so I have never seen this as a [unclear 0.53.50] crisis and I like to ...problems and getting through this, quite a long haul, is extremely interesting. I think like I have never been in a coalition before, I never thought the British would run successful continental type coalitions, they are too tribal I thought. The two major parties are in themselves [unclear 0.54.10] coalitions, I mean in the Labour party George Galloway and Tony Blair were in the same party for about 20 years, not possible in any other European country that I can think. So this coalition is a new challenge and I find it fascinating.

GG Do you think that most people might be warming to it?

KC They might, they were very, in principle they were very attracted by a coalition, but if you ask the British public historically should the parties get together and put the national interest above party interest, you would always get an overwhelming 'yes' if you ask the question the right way. When we first formed the coalition I think the public were extremely impressed that two parties were prepared, in the national interest, to do that. It is getting knocked about a bit because it is a Government in charge of difficult problems in the middle of a recession, but we may find that we have coalitions more often than not in the future, I think, and we may find that we are having to get used to it.

GG And it wouldn't be so bad I mean David Cameron when he....

KC It depends I mean personally, my preference is the traditional one. I like Parliamentary democracy, I accept the party system, I think in order to govern a modern

country you have to accept party discipline, you have to have collective responsibility and a party is a good way of organising it, and I thought the Labour party and the Conservative party were themselves coalitions. They sorted out amongst themselves a broad coalition and presented themselves to the public as an alternative Government. Well that seems to have gone unless we in the next election can contrive to get an overall majority which, you know, with good luck and a following wind we might, but coalition takes some getting used to and this one turned out fine us and the Liberals, I do agree we couldn't have formed a Government without a coalition anyway and we are able to do things in coalition which we couldn't conceivably do if we had been a Conservative Government with a tiny majority. So it is working well but, the reason I really prefer the old system is you might have a system where it all depends on doing a deal with the Ulster Unionists you know, who are they going to put in power. Lovely people [unclear 0.56.30]... love to form a Government with them if we had a hung Parliament, [unclear 0.56.34] turn away Ulster Unionists, but Welsh Nationalists you know we have a funny fragmented Parliament I wish the public would go back to voting either Labour or Conservative or [unclear 0.56.44] but it so far this coalition is a success, it has saved us from catastrophe, it is delivering quite well and it has got to go to 2015, it is complete nonsense for people to start doubting the need for us to continue to work sensibly and properly in a coalition and both sides have got to adjust to that Liberal Democrats and Conservatives.

GG

Lib Dems have, some people would say, matured a bit faster than people might say

KC

Yes

GG Would you say they sort of deserve to be in a coalition Government in future, that they have proved themselves?

KC Well to be fair, when I discovered, I mean I wasn't at all sure the British could work a coalition and I thought going into coalition with the Liberal Democrats, you know, you have only got to look at the Liberal Assembly and think this isn't going to last 5 minutes, you know, it is all sort of local screw ball campaigns really and everything else, and whoever joined the Liberal Democrats in order to be in a party of Government, they joined the Liberal Democrats so they wouldn't have to be in Government. Now all this is unfair I say instantly, I mean having said all these [unclear 0.57.47] expectations of the Liberal Democrats, they have been remarkably, remarkably well disciplined, they are good Parliamentary colleagues. They do, and have been prepared at some cost to themselves to go along with necessary decisions in the public interest in order to keep the coalition on the road, as indeed have the Conservatives, and we both are now should benefit, so long as we carry on delivering until 2015, we are only half way through the Parliament. It is too soon to say what the next election will be like but the continuing success of the coalition is absolutely essential to all our fortunes.

GG Our time is just about up, but I just wanted to ask you quickly at the end the name Clegg came as less of a surprise to you the scene than others, you knew Nick Clegg's father?

KC For a year I worked with Nick Clegg's father in his [unclear 0.58.47] and I knew Nick for quite a long time because he was a Liberal Democrat Member of the European Parliament for the same part of the world as me. But I first met him when he was Leon Britton's

[unclear – sl. Stashure -0.58.58] in Brussels, so I have known Nick for quite a long time, I get on very well with him.

GG Where would you have placed him politically when you first met him?

KC Oh we have a private joke, I mean I was, well I would say Nick is a one nation Conservative who went off and joined the Liberals because he was [unclear – 0.59.15] Stashure with Leon Britton so I thought he was obviously going to become a Conservative Member of Parliament and he denies that vehemently to be fair, he is quietly cross if I say a one nation Conservative who got fed up because the party became too Euro sceptic and went off and joined the Liberals, he always goes on about Gladstone in Liberalism to me and he of course retaliates by calling me the 6th Liberal in the Cabinet which I also vehemently deny, still my views may have mellowed slightly in the Liberal Assembly, but I take one look at them and think thank God I am not there, I wouldn't touch that. I am a one nation Conservative and he is a Liberal Democrat, but we agree on quite a lot of things and my Liberal colleagues as collaborators in Government to be fair, it works well, the Cabinet is harmonious, works well, it gets a bit scratchy sometimes, we get irritated when the Liberals go off leaking things, but it works quite well, certainly more harmonious than the Major Cabinet was and it at the time it needs to, it must, this is a time of National crisis and this coalition Government is steering its way through the storm with damn site more success than the Governments of most other western democracies are at the present time.

GG Ken Clarke thank you.

End of recording.