

## Chris Grayling



**Secretary of State for Transport** July 2016 – July 2019

**Lord President of the Council and Leader of the House of Commons** May 2015 – July 2016

**Secretary of State for Justice** September 2012 – May 2015

**Shadow Home Secretary** January 2009 – May 2010

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## The Coalition Government

**UK in a Changing Europe (UKICE):** If we can briefly start with your time as Shadow Home Secretary. Did you think at the time that the tens of thousands pledge made by David Cameron was a mistake?

**Chris Grayling (CG):** The issue at the time was actually that there was a reluctance in the Conservative Party and in the leadership to talk about immigration very much at all. So, it was not easy to put in place policies, or start a direction of travel, that would actually have moved towards achieving that. I absolutely supported the aspiration, but what we didn't really do was put in place policies that could've started to move towards that.

Now, obviously, free movement within the EU is a key point, because through the decade that followed we were shipping in a population the size of Southampton every year from around the EU, which was unsustainable. So, I guess I did not think that it was the wrong goal, but there was certainly a

reluctance to get involved in an extended debate about immigration because, at that time, David Cameron was trying to reposition the image of the party, and you immediately fell into dog-whistle territory. So, that was much less about it being an EU issue. It was much more broadly just about how you approach immigration at all.

And Tony Blair and Gordon Brown had consciously uncapped immigration, and I think they did that for two reasons. One is they thought that it would help weaken the Conservative Party because new migrants who gain the vote tend to vote or have tended, over the years, to vote Labour. Alongside that, they had seen the demographic issues that the country faces, and I have to say one consequence of substantial immigration to this country is we don't face the same kinds of demographic pressures a country like Germany does.

**UKICE:** Did anyone at the time say, 'Hang on a sec, we can't set a numerical target because once we are in government we can't control migration from the EU?'

**CG:** No, not at the time, not that I recall at all.

**UKICE:** When did you first get the sense that the Europe issue was going to rise up the agenda? When did that first start to impinge on your consciousness, as it were?

**CG:** I mean, I've been sceptical about the direction of travel of the European Union for a long time, and I was profoundly uncomfortable about the creation of the single currency because I thought that would, inevitably, lead towards a much more unified political structure. I just didn't see how the UK fitted into that. That was a thing I followed all the way through to the referendum. I don't think you can have a single currency without a single government, and, therefore, I believe that political union, in some shape or form, is inevitable, and if we're not part of the single currency, that's not right for us.

But I had broader misgivings in Opposition, seeing the EU probing into areas where I didn't feel it had any role at all. The campaign I was involved in at the time was over the EU Food Supplements Directive, and it really wasn't clear to me why there had to be a European standard for vitamin tablets. If one country wanted to do one thing, another wanted to do another, there were different

cultures between a country like Italy and a country like the UK.

But then in Government, particularly, the issue that really hardened my view was social security. I was Employment Minister and social security is, according to the Lisbon Treaty, a member state competence. Yet the court, in particular, was constantly moving the goalposts. It ruled that free movement provisions in the Lisbon Treaty trumped the social security provisions, and, therefore, more and more power over social security decisions were being taken to Brussels, even though that wasn't supposed, according to the treaty, to be the case.

And they did make decisions that meant if you earn something in one country, you need to be able to move it to another, and it needs to be able to move with you. And if you live in southern Spain and you're British, you'd be able to have a winter fuel payment because you're entitled to it because you're British, etc. And I became increasingly frustrated that a policy area that was supposed to be a member state competence was just being gobbled up in Brussels. And that has happened again, and again, and again over the years.

Now it's not every aspect of social security policy, but the freedom for the UK to take its own decisions I could see disappearing in a number of areas. So, for me, it was building up when I was Employment Minister, but I think the key moment was when David Cameron vetoed the treaty and the EU just said, 'Well, sorry, we're going to have one anyway.'

And I think, at that moment... I mean, UKIP had been around for a long time, it had been doing things, but my sense is that's the moment. When David Cameron stood up to the EU, his poll rating rocketed and then the EU just said, 'Well, sorry, we're doing it anyway.' I think that was a seminal moment, personally.

**UKICE:** How much of a worry was UKIP to you, politically – not necessarily for you and your seat, but to the Conservative Party?

**CG:** I did not see how we could win elections if we had a growing block of our supporters going off and voting for someone else, in a nutshell, and that was increasingly happening, and we had increasing unrest within the parliamentary party. And I'm going to say that, to me, that was a real seminal decision. The

UK had a veto over a new treaty, and yet the EU just decided to have a treaty of 26, not 27.

Clearly I wasn't there at the time, but I was told afterwards that, effectively, what had happened was the head of the council legal service, on the day that David Cameron vetoed the treaty, had said it was not lawful, he was perfectly entitled to veto and that it wasn't lawful to have a treaty of 26. The next day he changed his mind, and I wonder how that happened.

So, my view is that was the moment. It really became clear that the European Union was simply not interested in democratic challenge. You know, if a member state with a veto says, 'I don't want to do that,' just to override that is just not acceptable.

**UKICE:** Did you find when you were Secretary of State for Justice that they were doing things that you objected to, as well?

**CG:** It was much more on the employment front. I mean, I argued very strongly that we should opt out of the justice and home affairs measures. You remember the great debate that took place about exercising our opt-outs of justice and home affairs measures? And my view was we should opt out of the whole lot and then negotiate bilateral arrangements rather than being tied into EU legislation. But, of course, we were in coalition, so we managed to strip out some of that, but not all of it.

You know, interestingly, some of my colleagues in Government who were staunchly in favour of opting out of all of those measures were people who subsequently became staunch Remainers, so I'll leave it to you to work out identities.

**UKICE:** Some people have suggested that one of the reasons why Theresa May might've miscalculated with the Brexit negotiations is that her real experience of negotiating with the EU was during those opt-outs, which basically involved presenting the EU with a wish list and the EU said 'yes', and that she thought that she could do that similar sort of thing again. Is there an element of truth to that?

**CG:** I don't think it was that. I think the reality is that it's a big step to take. I

mean, there are two sides. The EU debate has always been one of economics versus sovereignty. I have found that those who are talking about pure economics, then they probably voted to remain, but if they were talking about sovereignty, they'd probably vote to leave. If you're Prime Minister, you're sitting in the middle of both, and I think what she was trying to do was deliver Brexit in a way that did the least possible economic turbulence and maintained close ties and close trading relationships.

And, of course, you've got to bear in mind the political reality she was under after the 2017 election. The great irony was that she was pressed by people like David Davis to have an early election because we were so far ahead in the polls that we would get a big majority and it would be much more straightforward to deal with the European Union. Of course, the consequence of that election was she had no majority, there was a Remain majority in the House of Commons, and always was, and she was simply not in a position to emphatically say, 'Right, we are going to play hardball,' because behind her there were a lot of people with sharp knives.

**UKICE:** When were you first made aware that David Cameron was going to make the Bloomberg speech, and what did you think of the speech itself once it was delivered?

**CG:** Pretty much when it happened. The thing about Cabinets, as we all know joyfully, is that they leak like mad. So on something as big as that, Number 10, unless you are part of a real core inner circle, will keep its cards close to its chest. But I think my view would be that it was inevitable, we had to have a referendum. You've got to bear in mind that David Cameron had made a promise to have a referendum in Opposition.

Now, we all know why that promise was not keepable, because it was a promise to hold a referendum on the Lisbon Treaty, and once the Lisbon Treaty had been ratified, you can't have a referendum to ratify a treaty that's been unratified. And, of course, once we were in coalition, he didn't have the power to do it anyway because, notwithstanding the Lib Dems' pledge in 2010, they had no intention of easily letting a referendum happen.

But I'd come to the conclusion a long time before that it was inevitable, it had to happen. One way or the other, the decision had to be taken, the question

had to be asked, and the country had to decide. As long as we didn't take the decision to ask the question, you had UKIP getting stronger and stronger. But, more than that, you had increased rifts in the parliamentary party.

As you remember, you started to get defections, and there was talk of a lot more defections. And so I think David Cameron had no choice but to start to stiffen the sinews and move towards a referendum. So I think the Bloomberg speech was a welcome development.

**UKICE:** If you'd had to go back into coalition with the Lib Dems after 2015, would the referendum have been something that could've been bargained away?

**CG:** I think it probably would've been bargained away, to be honest. I think it would've been very convenient to say, 'Well, the Lib Dems won't let us do it.' I'd be very surprised if that wasn't the intention. I'm not sure the intention was actually to grant it, but was to try and unite the party, and then to say, 'I'm sorry we can't do it, because the Lib Dems won't let us.' Now I have no inside knowledge of that, but I'd be very surprised if that wasn't the case.

David Cameron has always been a Remainer, so has George Osborne. They were annoyed with the European Union on a number of occasions. However, I do remember a senior person in the Cabinet at the time being challenged about their own position and said, 'But I'm a Eurosceptic'. Yet they ended up also campaigning to remain. And those two things, you know, people just couldn't compute the two together. If you were a genuine Eurosceptic who didn't like the way everything was going, you would have campaigned to leave.

## The referendum

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**UK in a Changing Europe (UKICE):** Did David Cameron have any choice but to allow Cabinet ministers to campaign on the other side, or could he possibly have enforced some sort of Cabinet collective responsibility?

**CG:** Well, I would have resigned. I imagine Theresa Villiers would've resigned. I don't know about the others. I mean, a moot point. I can't answer for them, but I don't know if all six of us who stood up there on that first day of the

campaign would've resigned. I certainly would've resigned, and, indeed, I said I would.

After Christmas, I attended the morning meeting in Number 10. After, I stayed, and said to David Cameron, 'Look, I'm going to campaign for Leave. I want to start doing stuff. If you don't want me to, then I'm happy to resign.' And we had a half-day of discussions before we reached an accommodation, which was, basically, that I would start to get involved, and I would do an interview in which I put a marker down without saying that I was definitely going to campaign to leave regardless of the outcome of the European Summit, then we would carry on after that. Then the next day, he made a statement in the House saying, 'I will let ministers campaign to leave.' That was the deal we did.

**UKICE:** Do you think he'd actually thought about what he was going to do until you came to see him, because it sounds like he was reacting on the hoof, to some extent, there?

**CG:** There'd been some dribbled suggestions and sources in the media suggesting they might allow Cabinet ministers to campaign for leave. But nothing had been said to us, nobody had said to us, 'You will be okay.' And, from my point of view, I felt really strongly about it and said, you know, 'I need to resolve this one way or the other. You know, I'd prefer to stay in the Cabinet, and campaign to leave.'

And I always tried, during the referendum campaign, to say I was very grateful to David Cameron, because I think it was very big of him to let people like us campaign against him – you know, it's an unusual experience, being in Government and Opposition at the same time, there's not many people experience that.

I mean, certainly, the discussions we had that day, the agreement was, 'Okay, I'll stay in the Government, I will not definitively declare for leave until after the European Council and the referendum campaign starts, but I will give an interview for *The Telegraph* saying, 'We can't stay in on our current terms,' which is what I did. And David Cameron agreed that when he was in the Commons the next day – he would say that he would allow ministers to campaign on the other side if he couldn't get a fantastic deal.

**UKICE:** Now, one of the things that people say about the way that David Cameron conducted the referendum campaign itself was that he perhaps fought it with one hand tied behind his back because he was worried about bringing the party back together afterwards. Do you think that was a concern on Number 10's part, and do you think that did hobble them?

**CG:** If that was the case, then they picked totally the wrong strategy. As I say, I have great regard for David Cameron, I wanted him to stay. I've never made a secret of the fact that I urged him to stay, whatever the result. I think he was, at that moment, having led us into the referendum, the best person to lead us through the other side, and he had the relationships internationally to do so, and he was a very good Prime Minister. So, I feel very strongly that he should've stayed afterwards.

But the strategy they followed for him was daft. He should've done what Harold Wilson did, which was stay above the fray, not be involved in the campaigning, not have Number 10 as the kind of Remain headquarters, which it was. He could've left George Osborne to do that, or other people to do that.

But he should have remained above the fray and only intervened, perhaps, on one occasion closer to polling day to say, 'I've stayed out of this. The country is divided. I need to understand what people think. But so there's no doubt, on balance, although I understand all the drawbacks of the European Union, I would prefer us to stay.' Now, I think that would've actually meant he could've stayed afterwards, and he should've stayed afterwards. In my view, the approach that Number 10 took was a big mistake.

**UKICE:** Were you worried about the party coming back together afterwards?

**CG:** I wasn't, because the Conservative Party is very good at unifying and trying to win elections. It doesn't always do it but, generally, when it goes through turbulent periods it sorts itself out afterwards.

## The First May Government

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**UK in a Changing Europe (UKICE):** What made you think that Theresa May was the best post-Brexit leader? Was it a show of unity, that you were backing, promoting someone who'd campaigned for Remain?

**Chris Grayling (CG):** I agonised over that weekend. Michael (Gove), very clearly, said he didn't want to do it – I know he changed his mind the following week, but Michael very clearly said he didn't want to do it. And I felt that the result had been a bit of a surprise, David Cameron had resigned unexpectedly and we were in, potentially, a period of significant political turmoil and economic turmoil. My view was that, whatever happens, the person who becomes Prime Minister has to be somebody who everybody here and internationally will say is absolutely qualified to be Prime Minister, 'There's no doubt that this person is fit to be Prime Minister.'

And my view about Theresa was that I've known her a very long time, I'd known that she would be committed to delivering the result of the referendum, but I also had no doubt that she was somebody who the markets, the international community, and the public in the UK would look at and say, 'Yes, she is somebody who is a credible Prime Minister,' without, really, any strings attached to that. And I thought that was the important thing.

**UKICE:** Did you think that the Prime Minister should trigger Article 50 sooner rather than later?

**CG:** I certainly wasn't in favour of triggering it straight away, and argued against triggering it straight away. What I didn't buy... some in Vote Leave wanted to leave Article 50 for years while we prepared for no deal. I don't think that was tenable. I think Theresa waited about as long as she credibly could before triggering Article 50. Because if she hadn't, in the end, it would've looked like the Westminster establishment's just trying to squash the result of the referendum. So, no, I think she waited as long as she plausibly could.

**UKICE:** In that first period as Transport Secretary, were you very involved in the discussions about what the Government was trying to do in Brexit and how it was preparing for the withdrawal negotiations?

**CG:** No, Number 10 was very closed at that time. Although everybody always complains about Number 10 being overcentralised, and the truth is it's quite difficult not to be, the reality was it was very overcentralised. Nick (Timothy) and Fi(ona Hill) had a kind of wall of steel around Theresa. The team in the Cabinet Office and in DExEU (Department for Exiting the European Union) kept their cards close to their chest, so there wasn't a massive amount of

Cabinet discussion about the strategy, no.

**UKICE:** And what sort of work were you doing in the Department for Transport about the specific transport issues? Did you feel that that time was well-spent in working out what needed to be done legislatively in terms of implementation, and in terms of what would be important priorities for the future relationship negotiation?

**CG:** So, I felt all along that there wasn't enough preparation going into the possibility of no deal. My view has always been that you cannot enter a negotiation with a guarantee of a successful outcome. Negotiation 101 is you have to be willing to walk away.

So, I've held that belief from day one, and, indeed, I urged Theresa on a number of occasions ... I made various suggestions to her, there were a lot of informal discussions with her over that period about different options, but I always said, 'We need to prepare for no deal,' and, in the end, I was, pretty much, the only person in the Cabinet who was doing active preparations for no deal in the face of intense opposition from some others in Government, particularly the Chancellor.

All the joys I had over preparing to make sure we had ferry capacity was delayed for so long deliberately by the Chancellor that we ended up with legal problems, and, of course, the brown stuff landed on my head rather than elsewhere because I was the person doing it.

I mean, we worked very hard in the Department for Transport on no deal preparations, on aviation agreements, on maritime issues, and I was determined all the way through that we must be ready for all eventualities. I cannot say the same level of preparation took place elsewhere in Government.

**UKICE:** Do you think Theresa May ever believed that no deal was better than a bad deal, and, if so, did she stop believing that at a certain point and kept saying it even though her heart wasn't in it?

**CG:** Well, the truth is, actually, there was very little support in Cabinet for the no deal option. I mean, even someone like Michael now – I've got a huge amount of time for what Michael's done, but Michael was always very clear,

and he's been clear publicly now, he doesn't want no deal and he doesn't think no deal is the best option. And Theresa was surrounded by people saying, 'You can't go for no deal,' Philip Hammond particularly.

One of the great ironies, if you look back in the media, is that you will find from around 2013, Philip Hammond was the second Cabinet minister to declare that he was not committed to future membership of the European Union. Michael had dinner with the Mail on Sunday at a party conference and let slip his degree of scepticism about future membership of the EU, and they ran a front-page splash on it. And then Philip chipped in and said he felt the same.

So, it was somewhat ironic a few years later to discover Philip absolutely Remain-central, doing his absolute utmost to thwart anything that anyone who was trying to prepare for no deal was trying to do, because he was trying to make it impossible for us to leave the Single Market. I mean, staying in the Single Market was always on the table. The EU would've bitten our hands off. If we'd have said, 'Right, we're leaving, but we're staying in the Single Market,' they'd have been, 'Thank you very much,'. And that's what the Treasury and Philip wanted.

And Theresa, you know, if you're Prime Minister and you're surrounded by civil servants saying, 'We need to do this,' you're surrounded by a majority of a Cabinet saying, 'We need to do this,' and you've got a majority for Remain in Parliament, it's actually quite difficult to say, 'Well, up yours,' to the European Union. And that was the tragedy of the 2017 election: if she had have emerged with a 50 or 60 majority, she could've done what Boris (Johnson) has been able to do now.

## The Second May Government

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**UK in a Changing Europe (UKICE):** After that election, did you feel real concern that Brexit would be stopped?

**Chris Grayling (CG):** No, I've never believed that, because I think if the political classes had turned around and stopped Brexit, then there would have been a huge, huge backlash in the country. No, I think the anxiety was about the nature of the Brexit. And, I mean, I've never wanted us to sever ties with the European Union, I've never supported no deal. I actually believed we had

to prepare for no deal from day one, I did my best to do so, but no deal's never been the best option, it isn't the best option now. It is best to leave as good friends and neighbours.

The challenge, of course, is that, whilst there are genuinely good relations between the UK Government and other member states' governments, there is a culture in Brussels which says, 'We are in charge, and nobody else should be disagreeing with us,' which I saw on a number of occasions over the years working on European councils. And it's not very edifying, it's one of the reasons I campaigned to leave. So there has clearly been a desire in Brussels all the way along to punish the UK for leaving so nobody ever dares do so, or nobody ever dares do so.

**UKICE:** What was your view on the Chequers proposal?

**CG:** So, I actually thought that the Chequers package was a sensible compromise. The economic reality is that manufacturing companies and international businesses are never going to create different standards for products between countries in today's world. You know, they might do it for the United States, they might do it for China, but they're not going to do it for us.

And so my comment, and I was the person who came out and did the media interviews straight after Chequers, was 'Look, I didn't campaign to leave the European Union so we could manufacture a different standard of motor car here to the ones in France,' and I stand by that view to this day. I thought that the Chequers proposal was a perfectly sensible compromise to say that, 'We are going to diverge, we are going to do things differently, but we will agree to align ourselves to European standards for technical specifications, for goods, and so forth.'

And I think that would've been a sensible foundation for an agreement with the European Union. But, of course, Chequers wasn't about the thing that became controversial subsequently, which was the Northern Ireland protocol. That wasn't in what was discussed. We were discussing a situation where we remained aligned on technical standards, and I've never had a problem with that. I mean, that's just common sense. Business is going to do it anyway.

As long as you can produce something in the UK that you can sell to the Americans to meet their standards, then producing something in the UK that can be sold within the continent of Europe to a European standard, I thought was perfectly sensible, as long as there was a mechanism, which there was in the Chequers, a proposal to revisit issues if necessary.

**UKICE:** So, why was Chequers such a hard sell to the party? Because by the time of the Conservative Party Conference, there were loads of people going around with 'Chuck Chequers' badges?

**CG:** Well, that's because nobody really knew what was in Chequers. It had a very bad press, and, of course, it had a particularly bad press because of the resignations. This was triggered, firstly, by David Davis, and I have every sympathy with David Davis for resigning then. He was Brexit Secretary, he was asked to lead the negotiations, and suddenly up pops a white paper which he's had no involvement in. That was a daft thing to do.

And, of course, he had prepared a document which reflected things that the EU had already agreed elsewhere. I think one of the things I always urged Theresa and the Cabinet to do is, actually, there are plenty of precedents out there that we can sign up to which the EU have already agreed, and we can turn around and say, 'Well, you've agreed that already. What's the problem?'

And I know David had produced a draft document following that approach, and then the Chequers proposal appeared out of the blue. So, there's no doubt he was undermined by the other part of the machine. You've got the tension at that point between the Cabinet Office team and the David Davis team. So, I don't blame Theresa for this, but it's a manifestation of the division between those in the Cabinet Office who are trying to steer things and those in DExEU who thought they were in charge but then proved not to be.

And, of course, then, off the back of that, Boris decided it was right for him to go, as well, and, of course, then that cumulatively created the noise that followed. But my view is and remains that the Chequers proposal, actually, was perfectly sensible.

**UKICE:** One of the things that was held out by Theresa May was the possibility that the UK would stay in some EU agencies, such as the European Aviation

Safety Agency (EASA). Would that have been okay with you if we'd done that, even if it meant some continued jurisdiction of the European Court of Justice (ECJ)?

**CG:** Yes, so I was perfectly happy with that. If you take EASA as an example, I actually argued that we should stay in the EASA. Although EASA is an EU body, it's broader than that, there are countries that are not EU members that are part of EASA. There's never been a vote in EASA – it's an international collaborative in which the UK played a major part and was very influential. I couldn't really see the benefit in pulling out of EASA.

I think there's been one court case over the years, and nothing that directly affected the operations of EASA. So, no, the body I looked at, I was perfectly happy to stay in EASA. And you've got to bear in mind, also, I argued during the referendum campaign that some of the European science and research programmes have got countries like Israel involved. What you've got to be in is a position where you can't be just controlled by Brussels institutions. Signing a subscription to be part of a joint research programme, I can't see why that would be a problem.

**UKICE:** What would be your red lines? I mean, what might've prompted you to resign? You know, was customs union membership a red line?

**CG:** Yes, I mean, I think if we'd stayed in the Single Market, yes, I would've resigned, and I was very, very unhappy about the Northern Ireland protocol. And I did think about resigning, but I didn't for, really, a couple of reasons. One is that I knew that I was fighting battles to try and make sure we could handle no deal if it happened at the end of March, and I wasn't convinced if I walked away that the same impact would be there with somebody else.

I mean, Esther McVey had just resigned a few hours before and been replaced by Amber Rudd. Now, Amber is an impressive lady. But she is of different opinions to me on the Brexit issue, and it wasn't entirely clear to me how Amber replacing Esther helped the Brexit cause around the Cabinet table. And I thought, 'Actually, I am trying hard in the face of lots of assaults from all directions to get the transport system as ready as possible for a no deal eventuality if it happens. I'm not convinced anybody else is going to do that.'

**UKICE:** Were you ever asked to be Brexit Secretary?

**CG:** No, I wasn't, fortunately.

**UKICE:** You've explained why you respect David Davis for resigning after Chequers. What was your view on the other big resignation that followed?

**CG:** I was surprised. I won't say any more than that.

**UKICE:** So, you've been saying that no deal was, obviously, a very big deal for the Department of Transport. I just wondered when you looked across the range of issues, what were the areas that you were feeling, 'Actually, these are the principal areas of vulnerability that we have to develop really workable plans for'?

**CG:** The first big issue was aviation, where the EU kept making noises that 'The planes'll stop flying', and the Remain campaign kept going on about, 'The planes'll stop flying.' Never true, but we had to sort out the mechanisms by which the planes carried on flying. And so we, first of all, set about getting replacement agreements in place for all of the EU's third country agreements.

So, for example, the United States, we spent a lot of 2018 negotiating a successor open skies agreement between the UK and the US, not that it took all that time to negotiate, but these negotiations happen in bursts. You know, there's a meeting, and then a couple of months later, there's another meeting, another couple of months, and so on.

So, there was never an issue doing it, and I met my US counterpart and we took about 10 seconds to agree that we wanted a successor agreement and just left it to the officials to sort out the detail of it. Everybody tried to get a little bit of stuff for themselves but it was a very amicable process, and we reached agreement without too much difficulty. And we did the same around the world. We replaced almost all of the third-party agreements in good time for the end of 2018. So, that was a major issue.

And I should say on aviation, with the EU, the planes were never going to stop flying because, ultimately, the system defaults to permits. So, the EU did not have the legal power to say a plane cannot fly from London to Madrid as long

as the Spanish Government said, 'We're happy that a British Airways and Iberia plane lands at Madrid,' and it's their sovereign right to do that.

But we did quietly have conversations around Europe to make sure that the member states and member state Transport Secretaries were aware of this and they didn't get coerced by Brussels into thinking something else. So, we worked quite hard to make sure that that could happen. And then the European Union, itself recognising the reality, just came up with a plan whereby the planes carried on flying.

What was quite interesting was that they did some strange things. So, for example, they said, 'We will restrict the number of flights to 2018 levels in 2019.' Well, that actually had a material impact on some EU tourist markets who were expecting more planes to land. And it was pushed back against, and was dumped. So there was never any doubt that member states were absolutely not countenancing the fact that planes would stop flying, but we had to make sure the bits of the jigsaw puzzle were in place to do that.

Likewise, with haulage, there were a number of legacy agreements that were actually legally still in place, so we were conducting informal talks with countries where those legacy agreements were in place. We had to sort out international permits which allow trucks to cross borders anyway. That's under an international agreement that goes beyond the EU – it's not an EU issue. So, lots of nuts and bolts, lots of legal nuts and bolts to make sure that trucks could carry on driving, that planes could carry on flying.

We changed the system for international driving permits so that they were issued through your local post office rather than by post from the AA. We had large numbers of international permits printed, so we had lots of stock available if they were needed, and a bit of a campaign to say, 'You might need them in the case of no deal. So, go and get one just in case you do, because with a national driving permit, you can carry on driving in France.'

And then the last thing which, of course, proved the most controversial was making sure we had ferry capacity in place for essential goods if we ended up in a no deal scenario. What happened with that is, in about probably late September 2018, I offered the committee that was managing preparations for no deal the option of booking capacity on a number of ferry routes to ensure

that we could get key products into the country in the event that there was a no deal, and in the event that there were long traffic jams at Calais and at Dover, because an awful lot of our trade filters through the short straits.

Then followed a dog fight with the Treasury for a couple of months. This turned a situation where we actually had provisional offers to supply around 25% of the capacity through Dover and Calais and the Channel Tunnel into a situation, at the end of November, long after I'd warned the Treasury that we were going to be in all kinds of operational legal problems if they didn't clear the spending. Which they still didn't, they eventually cleared it at the end of November – by which time much of the market had said, 'Actually, no, this is all too politically controversial. We don't want to be part of this.'

And we had just three bids – one from Brittany Ferries, one from DFDS, and one from a little start-up that was going to run services from Ramsgate. And we gave Brittany Ferries and DFDS a substantial contract to book capacity, and we gave the little start-up a contingent contract whereby they would receive no money unless they got the service up and running. And given the fact they were backed by Ireland's biggest shipping company, we judged that was a prudent risk to take with taxpayers' money, because we weren't spending any.

And it's amazing how the BBC can turn a small contract where the taxpayer has no financial exposure at all, about a company using a system that is entirely normal for any transport operation that leases its vehicles rather than owns them, into an exciting story that lasts to this day. This is because the media just doesn't understand the way the transport industry works.

**UKICE:** What sense did you have about what would happen at the borders in the event of a no deal? Were you of the opinion that you could mitigate disruption, or were you resigned to the fact that if there was no deal, there was going to be some disruption at the borders however good your preparations?

**CG:** So, it depended entirely upon the attitude of the French – and bear in mind that the impact on the Calais area would be just as severe for the economy there as it would be in Kent. This is the other part of preparation we did, making preparations for the handling of large numbers of vehicle waiting in Kent to cross the Channel. This does happen, it happened in 2015 when one

of the big Channel ferry operators went bust and there were problems in the Channel, and huge tailbacks. It's why Operation Stack has existed for years.

So, we expected there to be significant problems. In fact, one of the things that triggered the work we did in the autumn of 2018 was a revised forecast that initially said there would be delays for a few weeks, but then things would ease after that. They then changed their analysis and came back and said the delays could last for up to six months before new systems bed in, at which point the Department of Health said, 'We can't live with that. This is a major problem for us.' Hence, we followed through and tried to find them alternatives.

**UKICE:** So, what did you think of the way in which the Government was set up to deal with these sorts of border issues? Did you think the Government had its act together over no deal preparations in the period from autumn 2018 into March 2019?

**CG:** No. I mean, frankly, all along, as the Olly Robbins team led things towards the agreement that they actually pulled out in the autumn of 2018, there was never a desire to make serious preparation for no deal. After that, the whole machine around the Cabinet Office and Number 10 was geared towards frightening MPs to backing the deal. And so there was actually, in a critical period, very little impetus behind no deal preparation. Actually, it was convenient to them if no deal plans looked like they were not in the best of shape because it was designed to try and encourage MPs to vote for the deal.

**UKICE:** How did you feel about that? On the one hand, you are trying to take it seriously and you feel that the rest of the Government machine is deliberately, in some ways, sabotaging the idea of taking it seriously. Did you ever consider just throwing in the towel?

**CG:** Frustrating, and, well, yes, I did at the time when the Northern Ireland protocol appeared. By then, nobody else would've been trying to prepare for no deal.

**UKICE:** How did you manage the relationships with all that mass of external stakeholders, for example the Road Haulage Association?

**CG:** So, I think there are two parts to this. If you take an organisation like the Road Haulage Association, in my experience, it's more interested in appearing in the media and being seen to make a noise on behalf of members than delivering practical help. So, I had far more fruitful conversations with big hauliers who aren't terribly involved in the Road Haulage Association, and who were really very valuable in saying, 'You need to think about this, and you need to think about that.' Whereas, to be honest, the trade bodies were not as helpful. They're membership, they're networks, but they're probably not the best people to talk to when preparing something detailed like this.

**UKICE:** And how do you get a route, then, into all the small businesses that are quite important in things like haulage?

**CG:** There, political networks are actually very useful. There are lots of different companies around the country who either are part of Conservative networks or who you come into contact with through political events or other events around the country. Just phone up people you know or get put in touch through people you know with others who can help. So, I had some very valuable discussions with one of the biggest hauliers in the UK that was rather dismissive of the Road Haulage Association as an entity, and provided really valuable information to the department about what we needed to do.

**UKICE:** And did you get the sense that your officials were on top of the issues and giving you good advice about no deal?

**CG:** My officials, I thought, worked very hard on it. You know, this wasn't something they were all trained to do. I didn't have any complaints about what officials in the Department for Transport were trying to do.

**UKICE:** And how was the coordination with the Border Delivery Group?

**CG:** My view is that the Treasury was a huge obstacle to this. One of the myths is the power of individual departments. The Transport Department doesn't actually do very much of this stuff. We can put in place roadblocks in Kent, new systems in Kent to manage things and we can put in place international aviation agreements. But when it comes down to managing the border and working on systems that are going to be needed, and on what forms are going to be needed and the rest, it's down to the Treasury. And, frankly, if I'm

honest, I don't think there was ever a mindset in the Treasury about making sure we were ready. I'm absolutely sure there wasn't.

**UKICE:** As the withdrawal agreement was not getting approved by Parliament in early 2019, did that then crystallise into any sort of Cabinet discussion about readiness for no deal and no deal preparations, or was it left to departments to try and deal bilaterally with the Treasury?

**CG:** Well, we had a Cabinet Committee which was focused on preparing for no deal. You know, it's not that no work was taking place. There was work taking place, but that work could and should have had a much greater degree of urgency all the way through 2018, because that would've strengthened Theresa's hand. When she couldn't get the agreement through the Commons and went to Brussels, that's the moment when she could've turned around and said, 'I'm ready for no deal. I don't want it, but you've seen what the political realities are in the UK. We need to do some things differently.'

But I think her hand would've been stronger had we done more preparation for no deal. But I have to say, equally, that the machine, the civil service machine, full of wonderful people though it is, was not properly engaged in preparing for no deal.

**UKICE:** Do you think the EU knew that, and if so how?

**CG:** Yes. Because there was a regular stream of conversations taking place between Remainers and the EU. I think it was shocking, the degree to which people in and around parliament, senior political figures on the Remain side were in constant dialogue with the EU, saying, 'Play hardball. They will cave in.'

**UKICE:** Do you think there was ever any prospect that any of the processes going on in Parliament in that bizarre period would actually lead Parliament to show some sort of way forward? Whether it was the indicative votes, or anything like that, did you think that, 'Actually, we're going to lose control to Parliament,' at that stage?

**CG:** Well, I mean, it shouldn't have happened. Parliament was only able to do what it did because of (John) Bercow, who rewrote the rules and made no

attempt to hide the fact he was a fierce Remainer who was trying at each stage to make it more difficult for the Government to actually deliver Brexit. The challenge Theresa had all the way through from the 2017 general election onwards was that Parliament had a Remain majority in it, and, in the end, people on our side who were willing to lay down their careers for their belief. Which I respect them for, but they had actually been elected on a manifesto of delivering Brexit.

**UKICE:** What about on the other side, though? Clearly, as you say, some people on one side didn't compromise. But what about the ERG, did you ever feel that they took too uncompromising an attitude?

**CG:** My fear, perhaps another reason why I stayed loyal to Theresa, was that we would lose Brexit altogether. You know, I've known Theresa for a long time, and although I fundamentally disagreed with the Northern Ireland protocol and thought very long and hard about resigning, I was very reluctant to do so. This was because of the no deal preparations, but also out of loyalty to her and Philip (May), who I'd known since long before I was in Parliament.

And she was in an impossible position because she was trying to deliver Brexit, Parliament was resisting, Bercow was behaving the way he was, and, to be honest, I think she thought she was not sure she would be able to deliver Brexit. The big fear was that Parliament would, in the end, prevent Brexit from happening, and that would've caused all kinds of destructive issues in the Conservative Party and in the country.

**UKICE:** Did you ever feel, by the time you got to the meaningful vote stage, that there was any way that the deficit in Parliament could be squeezed down in the end to get the deal through?

**CG:** I think it came very close in the end. The last meaningful vote, well, even Boris voted for the deal. I always thought the bit that allowed me to say, 'Although I fundamentally disagree with the Northern Ireland protocol, I can live with the agreement,' is that I never thought the Northern Ireland protocol would survive in law anyway. The idea that a business in Northern Ireland would have preferential access to both the UK and the EU but a business in the Republic would not, and I just thought, 'In the end, this will fall apart in no time.'

**UKICE:** Were you surprised that more soft-Brexit Labour MPs didn't come on board towards the end?

**CG:** Perversely, no I wasn't, because bear in mind the Corbyn Labour Party was a pretty unpleasant place, and back on the ground, local Labour Parties had filled up with some of the most militant types in our society. They were all ferociously for Remain, and the consequence if you're a Labour MP who votes to leave and votes to help the Government is you end up with a huge amount of brown stuff very unpleasantly coming in your direction in your constituency. So, no, I'm not surprised, to be honest.

**UKICE:** How much of a part did you play in trying to convince some of the very keen Brexiteers on the Tory side to come on board for the last meaningful vote? Did you play any role in that?

**CG:** Only to a limited degree. I mean, I talked to people and told them why I was doing things, but I wasn't part of the core operation to do that, no.

**UKICE:** Do you think there was anything that the core operation could've done on the Tory side to get more of those people on board, or do you think they squeezed it about as much as they possibly could?

**CG:** I think, with hindsight, they squeezed about as much as they could. The feelings are very strongly rooted and there are still profound concerns about the withdrawal agreement and there are a lot of people who just think we should leave without a deal.

**UKICE:** What was it like actually operating in Cabinet in this period when there were really very public disagreement? Could you get on with any other business as usual, or was Brexit crowding out any normal business?

**CG:** Funnily enough, the difficult conversations seldom happened around the Cabinet table. There were one or two difficult conversations around the Cabinet table, but the difficult decisions tend to happen elsewhere. So no to be honest, surreally, business was carrying on alongside all of this.

## The future of British politics

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**UK in a Changing Europe (UKICE):** You talked earlier about the adaptive capabilities of the Conservative Party. But do you think, as a result of Brexit, the party has been fundamentally transformed?

**Chris Grayling (CG):** No, not particularly. I think what happened last year is that we won the voters that Margaret Thatcher won in 1983 back to us, and the challenge we have for the next three or four years is to hold on to those. But we're in a totally different world now. The pandemic has completely changed the landscape.

It's interesting now, as we sit here today at a point when the Brexit negotiations are in a shaky stage, I remain absolutely of the view there is likely to be an agreement, but I'm not absolutely certain about it. We shall see. By the time you get to publish this, then that may have changed. But, no, the Conservative Party has always been very adaptable. It responds to different circumstances, it adapts to circumstances and wins elections, and has been very successful over the years in doing that.

**UKICE:** Do you buy the idea that those voters are going to have to be appealed to mainly on what people call 'cultural' grounds rather than economic grounds? Or do you still think, even given Covid-19, that the Conservatives will have to deliver an economic benefit to those constituencies that they managed to win this time?

**CG:** I think if we don't deliver Brexit, then those constituencies will disappear in no time. But I think, beyond that, we need to demonstrate in the next four years that there is a serious levelling-up agenda which they are going to be able to benefit from.

**UKICE:** Okay. So, for example, talking tough on law and order, talking tough on immigration, that's not going to be enough if the levelling up isn't real, in other words, isn't tangible?

**CG:** I mean, I think that if you look at the seats we won, quite a lot of them are seats we've held before. I mean, Hyndburn, a case in point. Okay, we just won it back for the first time in a generation, but we did have Conservative politicians there before. Some we didn't have – I mean, clearly, we've never won North East Durham before – but there are seats where we have had

people before. You know, Wolverhampton, we've had a political presence before, we've lost it, and won it. So, it's not that these are impossible places for us.

I mean, there are probably 30 seats we haven't won before, I would guess. And I think, to be honest, if we're going to hold on to those, the people in those seats who may see themselves as lending us their votes are going to have to see that there's more to a Conservative Government than just delivering Brexit.

**UKICE:** I'm interested, in your sense, when you're talking about those voters who would punish the Government if it doesn't deliver Brexit, in what you think they think Brexit means? What are the critical bits that constitute delivering Brexit?

**CG:** So, my experience of the referendum campaign is the thing that motivates those people more than anything else, and I travelled the country about this, is sovereignty – they don't like to feel that we're run by someone else. And I think, so if we end up with an agreement that, basically, leaves the European Union in control of significant swathes of life in the UK, that will be seen as a bad thing. You know, we have left.

Those people will go, 'Fine if we leave without an agreement,' and then they may, in due course, decide that wasn't such a good idea because of economic impacts. But if they see us, basically, handing over controls of things they think are important in an agreement, which I don't think we're going to do, but if they see that, then they'll be unhappy.

**UKICE:** Would they have been happy with the May deal?

**CG:** So, I think the issue for those people is, first and foremost, they want us to leave. Well, we've done that. What they won't wear is a drip, drip, drip over the months and years of things that Brussels is still deciding for us, which will get covered in the media. So, if we leave Brussels with unfettered access to our fisheries and there are Estonian trawlers hoovering the North Sea, then people will go, 'Well, hang on a moment. We voted for Brexit. Why's that happening?'

**UKICE:** Do you think it will also depend on whether there's an alternative, as there was with UKIP, as there was with the Brexit Party, or do you think, by now, Nigel Farage is a busted flush?

**CG:** I mean, unless we do something completely stupid on Brexit I don't think there's a threat. I think Nigel Farage would like us to think there's a threat. When you've been in power for 14 years, as we will have been by the time of the next election, there are always going to be people who are unhappy who are looking for an alternative.

So, there will be people. If Nigel Farage has an entity that stands at the next election, there will be people who vote for him. It won't, by then, be about Brexit, it'll be about other things, although he'll probably find some European context to it. But that'll be much more about the point in the political cycle we're at than, I think, a fundamental deep-rooted European issue, because I think Number 10 are wise enough that they've got to do this, and do it properly.

**UKICE:** Do you think, therefore, that the Boris Johnson deal, with his version of the Northern Ireland protocol, is actually a better basis than Theresa May's deal would've been for negotiating the future relationship?

**CG:** Well, neither of them are ideal, but there are no easy solutions in Ireland. The only solution, really, is the alternative arrangements that were talked about for a long time. And I think actually, in today's world, it is possible to manage the flow of goods with a combination of targeted enforcement and electronic systems. I would hope, in the end, we reach that point. And I do think the European Union has deliberately exploited the Northern Irish issue to try and keep us as near to being in the tent as it can.

So, frankly, I don't like either of them, but I think it's most important to leave. The danger is if we had let either version of the Northern Ireland protocol get in the way of Brexit, in the end we might not have left. And it is worth saying that, last September, things were on something of a knife edge, and I have to hand it to Boris, whose historic achievement was winning that majority and seeing off Jeremy Corbyn and being able to deliver Brexit. But if Jeremy Corbyn had been willing to serve in a national government, then the Conservative Party might not be in power now.

**UKICE:** Are you concerned that the sort of Brexit we may end up with is going to put the union under fundamental and unsustainable strain, and is that a price worth paying for Brexit?

**CG:** I think it's the pandemic that's done that, not Brexit, because I think, in reality, a platform for the Scots saying, 'We actually want to sign up to the Euro,' is not necessarily something that will actually have them all going, 'Well, yes, that's what we want.' And given the fact that the Northern Ireland protocol would, therefore, have to apply to a land border between the UK and the EU, what the Scottish National Party would be arguing for is a border at Gretna, and I don't actually believe the Scots would vote for that.

I think the much bigger issue is the way the pandemic had enabled Nicola Sturgeon to look, frankly, more like a national leader than a devolved leader, and that's what's caused the issue at the moment. So, it's not Brexit that concerns me. I'm concerned about the union, but I think it's the aftermath of the pandemic that's done that.

**UKICE:** And the same in Northern Ireland with the apparently rising support for unification?

**CG:** Well look there's no doubt that nationalism, in its own right, is on the rise. Northern Ireland is a complicated situation, and the last polling I've seen shows nowhere near a majority for unification. The United Kingdom should always be willing to listen to the views of the people in Northern Ireland and allow them to do what they democratically want to do, which is what the Northern Ireland or Belfast Good Friday Agreement says. But no, I think Scotland's a bigger concern at the moment.