

Transcript: Q&A

The Future of Britain's Relationship with the EU

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Question 1

You said the changes you were looking for would be substantial. What would it say for just how substantial they are if you wrap up the whole negotiation a year, a year and a half early, get the vote out the way much earlier than planned? Some people seem to think you're in a bit of a hurry. And on benefits, you said you were willing to be flexible in the way you were looking at dealing with that. Do you categorically rule out raising qualifications here for benefits? Do you categorically rule out maybe in some way subsidising third countries in Europe, trying to make sure that the workforce stays there?

David Cameron

First of all, these proposals are substantial. I think you can see from what I've said, if we change 'ever-closer union', set the relationship properly between the euro ins and outs, deliver a really competitive Europe, solve the problem of the excessive levels of migration – these are the things that people, me included, are concerned about with Europe. We think it's not competitive enough, we think it's become too interfering and too much of a political project, we worry about excessive migration. We worry that it could become a eurozone club where interests are not protected. Those are the things that people care about. Those are the things I'm negotiating to address, so it's substantial.

Am I in a hurry? Well, I want to get on with it. I've been, since the election, patiently meeting with European leaders right across the continent. But as well as patient, as well as wanting to get on with it, I'm also going to be persistent. Europe has got a lot on its agenda at the moment, not least with the Syrian crisis and all the ramifications that has. I hope we can make really good progress at December, and I've done everything possible to try and make that happen. We don't have to hold our referendum until the end of 2017 but I'm keen to secure these changes, to get on with it, and have been working very hard to do that.

Just on referendum timing, to put the press out of their agony, I can make you this historic pledge: the first you'll hear about the timing of the referendum is after I've secured the changes I need. Anything you write before then, you can write what you like, but it might be true, it might not be true. But the only time you'll know is when I stand up and make that statement.

On welfare and benefits, we've set out our proposals. We're very clear about what we think needs to be done. Let me say that the way we're approaching this negotiation is not to say, 'Here are four areas that need to be addressed, let's address three of them and forget the other one'. We need progress in all four areas. But we now start the detailed process of negotiation to ensure we get the action that we need.

Question 2

You mentioned foreign direct investment in passing. What do you anticipate might be the impact of Brexit on Britain's extraordinary record of foreign direct investment?

David Cameron

We do have an amazing record. There are times when we get more foreign direct investment into Britain than the whole of Europe combined. When you look at the massive impact it has had on things like the rebuilding of the British car industry, where we're now the third-largest manufacturer in Europe, it has been really impressive.

Some people said that the very act of holding a referendum would put people off. I think that has been shown not to be the case. Foreign direct investment has continued into the UK at a great rate during the last parliament, following the Bloomberg speech, and continuing in this parliament. Obviously, I think some of those direct investors – they can speak for themselves, but many of them would say: we welcome investing into Britain not just because you've got hardworking people, low taxes, a very friendly business climate and, of course, wonderful weather. But also you've got that connection to the Single Market. You're a member of the Single Market, where you can not only have access to that market but you have a say over what those rules are.

But I think we're going to have a great debate now. The debate will obviously quicken once I've completed the negotiation. I think everyone who has an interest in this issue, whether business or others, should speak up and speak out, and explain to people why this issue matters so much.

Question 3

Prime Minister, you say this is not 'mission impossible', but isn't that the point? It's actually 'mission quite possible'. It's not the fundamental reform you once promised. There's no emergency brake on immigration, there's no reclaimed powers over workers' rights, there's no legally binding treaty change before a referendum. Secondly, on the specifics on the migrants issue, can you name one EU country that has signalled to you that it is willing to allow you to discriminate against migrants by cutting their benefits?

David Cameron

First of all, on whether this is 'mission impossible', 'mission possible', 'mission vaguely possible', 'mission quite difficult', I would say to the BBC: you can't have it both ways. You often go around European countries and people tell you: this is impossible. This is incredibly difficult to achieve. Why is the British prime minister asking for so much? Then on the other hand you say: this is obviously very easy, otherwise you wouldn't be setting it out.

I suspect the truth lies somewhere between those two things. This is challenging, this is substantial. It is going to be difficult to achieve. And if we do achieve it, it will make a real difference. But you've now got the four areas, more detail in each case, what a difference it would mean. Why it matters, why these are the things that matter to the British people. I would argue it is 'mission possible', but it's going to take a lot of hard work to get there. But it's absolutely the right targets and the right things to do.

As for other countries and what they've said on the issue of migration and welfare, I think there is a lot of sympathy and understanding for the difficulties that we face. If you think about it, migration on the scale that has happened in Europe, this just was not foreseen when these rules were first introduced. Obviously we look at it from our perspective. Net migration of 330,000 a year is too high. But it's also worth looking at it from the position of the countries from which those people are coming. You actually see a decline in the population, whether you look at Romania or Bulgaria. You look at some countries that have seen many of their most talented people leave. Instead of building their own countries, they're coming to help build ours – which is great in many ways, but the pressures, as I've said, have been too great.

So it's a much more nuanced discussion than you might think when you go to European countries and talk to them about this issue. There's an understanding that there's a problem, an understanding of the challenge. But it's obviously going to be difficult to find the right way through it. But I'm absolutely determined to do that, because we shouldn't have to choose between having effective migration control

and being a member of the European Union. I want both and I'm determined to get both. The British people want me to get both and that's what I'm going to dedicate myself to doing.

Question 4

A couple of business-related questions. The first one: you didn't mention the working time directive. Could I just clarify that you're not seeking to change the working time directive as part of these negotiations? And just more broadly: what would you say to business leaders who watched the scenes at the CBI conference yesterday and might think, I'm going to keep my head down in this and not speak up during this referendum campaign.

David Cameron

On the second one, if you're worried about two people holding up a banner and repeating three words over and over again – if you can't stand that heat, I'm not sure you get into any kitchen. So I wouldn't worry about that. There's some important questions when we're dealing with conferences and security and people pretending to be business and what have you. That's not for me, that's for others to look at.

But business knows this is an important issue. Not just big business, that we hear a lot from, but also smaller businesses, entrepreneurs, start-ups. In this debate, let's hear from everybody. Also, concrete examples. I think this is one of the issues we have when we're trying to explain why trade deals with America make so much difference. The people leading the debate on TTIP sometimes are NGOs talking about chlorinated chickens or the NHS, both of which actually are irrelevant. We need to hear much more from the small garment manufacturer that says, 'I can't get my products into America, our oldest and strongest ally – what the hell's going on? Can't we cut the tariffs and sell more to America?' I want to hear from business large and small on this issue, on the EU issue, and others as well.

On working time directive, that is part of the competitiveness agenda, part of that negotiation. We have an opt-out. We need to make sure that's absolutely copper-bottomed and guaranteed in this process. That's very important and a point that's made to me a great deal.

Question 5

Going back to the four-year ban on benefits for European immigrants, technically it seems it would require a treaty change. It doesn't seem very possible with the timeline we're talking about, to have a treaty change. What kind of compromise do you think you could achieve without having a treaty change? Do you think that would be enough to run a credible campaign to stay in the EU?

David Cameron

First of all, the things that we are asking for here, they require a mixture of things. There will be some conclusions, there will be some legislative changes. There will be some treaty changes. There is a mixture of things that is required. That's what we've been looking at in these technical talks that we've been holding in Brussels, is how to achieve the various different things that we're asking for.

Let me address this point very directly about the timing of treaty change. What we're looking for is changes that are legally binding and irreversible, and agreed by all 28 members, just as Europe has solved these problems in the past – for instance, through the Danish protocol or the Irish protocol. A commitment to legally binding, irreversible changes, including treaty changes, that get agreed and then go

into action after a referendum is concluded in our country. That's often the way – in fact, normally the way – when countries vote on changes to the treaty. They vote on them before they actually happen. But what matters is legally binding, irreversible, committed to by all 28. That is what we are aiming for.

Question 6

Lord Lawson, the former chancellor, told us on *News at Ten* last night that you have been disappointingly unambitious, and if you were a fisherman, you'd return with a net full of, in his words, 'tiddlers'. He clearly represents a significant proportion of your party. So I just wonder, what is David Cameron's strategy? Is it to set the bar low and then come riding back from Brussels with a surprise gift for the British people? Or is this the best scenario you can imagine and inevitably, as I think you just acknowledged, you'll have to give some of this away in the negotiation and haggling?

David Cameron

What I would say very clearly is that with this renegotiation, what you hear is what I want you to get. I'm not going in here with four areas of things that need to change, being prepared to drop one or drop two. We need action in all four areas. That is what I'm confident we can achieve. It will be hard work.

Why have I chosen the four areas? Because those are the four areas that matter to the British people. The British people want greater immigration control. So do I. The British people want a fair settlement between those in the euro and those out of the euro, so this organization is for us. That's what I want. The British people want a competitive, prosperous Europe that's creating jobs, creating wealth, not holding us back. That's what I want. And the British people do not want to be part of an ever-closer union. We want to be part of a cooperating Common Market, not a political project. That is what the British people want, that's what I want, that's what I'm determined to secure. I think if you ask people, what are the things that worry you about Europe, these four areas address each of those things in turn.

As for Nigel Lawson, clearly I'm not going to make everybody happy. We could reflect on the fact that in Nigel Lawson's time, we were far more closely tied to the euro, inside the ERM, than we are today, where we are out of the euro, out of the ERM, don't have to bail out eurozone countries, and have seen a massive repatriation of powers from Brussels to Britain – the biggest ever – through the justice and home affairs opt-out, which saw more than 100 powers returned to Britain. So while I listen respectfully to my elders and betters, I would argue that in this parliament, as in the last parliament, we're actually putting in place the safeguards that are needed. The safeguard that any change to Europe would be in a referendum, something that was never achieved before. A cut in the European budget while safeguarding the rebate. So I think I've got a track record of delivery in Europe that can help to deliver these changes. But in the end, Nigel Lawson and everyone else will have to make up their mind once the negotiation is completed.

Question 7

You've once again ruled out the Norway option and the Swiss option. That leaves two options for Britain outside the UK [sic]: the so-called Turkish option and the WTO option. Given that you've said again that you're prepared to campaign to leave the EU if your reforms are rejected, you must therefore believe that one of those two options is better than the status quo. So which of those two options is better than the status quo, the Turkish customs union option or the WTO option, in which Britain has no formal relationship with the EU?

David Cameron

It's a brilliantly constructed question, out of which it seems almost impossible to get. But the point is this: I'm not campaigning to leave the European Union. I'm campaigning to get a better deal for Britain in the European Union. If I'm successful in that endeavour, I will campaign head, heart and soul to keep Britain in the European Union. If I'm not successful in that endeavour, I rule nothing out. At that stage, I'll have to answer your brilliantly constructed question.

Question 8

You say your benefits reform, the four-year ban, will reduce EU net migration into Britain. As you know, it's running currently around 180,000 net incoming. By how much will your four-year ban reduce it? Because if you can't put a number on that, why should British people believe you that it could possibly work?

David Cameron

I think British people understand, and I've tested this pretty robustly at the general election, that when you run through the changes we want to make – two of which we've effectively put in place already – if you come to Britain and you can't claim unemployment benefit for six months, once Universal Credit is fully introduced; if you don't have a job after six months, you ought to go home; you can't get out of our system into you've paid in for it; and if you have children and they're in your home country, you don't send the child benefit home – people really understand that. When you ask them, they say those are the most important things that we should be securing in renegotiation.

Different organizations will make different estimates of the effect that will have on migration. But I would just make this argument: that people do respond to economic signals. The point is today that if you are living in a southern European country and training into quite a skilled job in that country, possibly even as a nurse, and you look at the current situation, you can leave your training in your home country, come to Britain, and with a top-up in terms of the benefits, be earning more in an unskilled job in Britain than you could be in a skilled job in your home country. That is a very real incentive for people to move. So I believe this is profoundly right on both levels, and that's why it's one of the centrepieces of what we're aiming to negotiate.

Question 9

Yesterday the Irish prime minister raised concerns that an exit from the EU would unsettle what's happened in Northern Ireland. It seems pretty probable, maybe even certain, that an exit from the EU would provoke another referendum in Scotland. Is that the way you see it, that voting to leave the EU will really represent a threat directly to the security of British citizens, and perhaps threaten the very survival of the UK?

David Cameron

The way I see it is this is a UK decision, which was discussed at a UK general election. If you look at the opinion polls right around the UK, whether you're looking at Northern Ireland, Wales or Scotland or England, there is very strong support for a renegotiation and a referendum. So this is a decision we're going to take as one United Kingdom. Of course, people within our United Kingdom will be able to make all the arguments that you've made and others beside. That is, once this renegotiation is completed, that's

what needs to happen, so that when people go to the polls, they're in possession of as much information as possible. What does this mean for Britain's economic future? What does it mean for our national security? What does it mean for the United Kingdom? All those questions will be relevant.

But I'm absolutely sure that this is the right process for the United Kingdom to follow: a renegotiation and a referendum. One in which I believe, and I'll say this in conclusion, we can succeed in, and if we do it will be good for Britain and good for the European Union. My argument with my fellow heads of government is this is doable. These changes, they are substantial. They will make a real difference. They address the concerns of the British people. But it's doable, so work with me and let's do it.

Thank you.