

ANDREW MARR SHOW, 5TH MAY, 2019. JOHN McDONNELL

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JOHN McDONNELL, MP

SHADOW CHANCELLOR

AM: As the polls closed on the local elections on Thursday night the Shadow Chancellor, John McDonnell, bravely predicted 400 extra councillors for Labour. In the event, far from moving ahead the party lost more than 80. Not a Tory scale drubbing, but not very cheering either.

JM: No, I didn't. I didn't predict 400. No, actually I said I don't predict on local government elections. Who can tell? But I said the polls are saying 400. I never predict.

AM: I'm aiming for about 400 council gains you said.

JM: I said that's what the polls look like. Anyway, whatever.

AM: Whatever, it was disappointing.

JM: It was disappointing, it was yes.

AM: Why do you think it was disappointing?

JM: Brexit dominated everything, absolutely everything. It massacred the Tories, but it did hit us. We had some good victories around the country and actually it looked as though the electoral trend was the same as 2017. The sort of shifting of our coalition in different areas as well.

AM: After ten years in government, whatever's happened, and this has not been a particular popular government recently, you normally see opposition parties romping ahead at this stage. Something quite fundamental has gone wrong, hasn't it?

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JM: Yeah. Brexit's dominated everything. If we're on the domestic agenda, as we were in 2017 largely you saw how we shot up in the polls, how attractive our Manifesto was. But Brexit lays a layer over all that debate. In fact it squeezes out all the rest of the debate, that's the problem for us.

AM: Now you tweeted in reference to Brexit, you said 'message received.' We can see your tweet here. Talking about the local election results: "Brexit – sort it."

JM: The message is just sort it. Get on with it.

AM: So what does sort it mean?

JM: It means we've got to quickly now I think, over a limited period of time come to an agreement, if we can, but that also – that also may well mean that the people have a role in this too. So we've got to move on. Whichever way we move on we've got to get on with it now.

AM: The Prime Minister said this morning that she wants to do a deal with the Labour Party and we have seen the bones of that kind of deal. A customs arrangement probably quite close to the customs union you want. We've seen workers' rights guaranteed and alignment with a single market on goods.

JM: Not really. Not really.

AM: No?

JM: Look, the disappointing thing about this weekend if that we've maintained confidentiality 'cause that's what we were asked to do. We haven't briefed the media. We've only commented on when things are in the public, so it's disappointing that the Prime

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Minister has broken – and I think it is an act of bad faith actually to do it in this way.

JM: Well we might well do and we'll see how that happens in the discussions as we go forward.

AM: Just give me one compromise.

JM: Well a large number of our - we've said to them time and time again to get any deal over the line you've got to recognise there will be a large number of MPs in parliament who actually do support a public vote. So let's talk about the arrangements that could take place. So we're trying to see whether or not we can arrive at some discussions around customs union, alignment with a single market, on the ongoing –

AM: And a public vote. You're talking to them about that, you're asking for that?

JM: Well we always put that on the table, because as I say the reality is there's a large number of MPs that will vote for that.

AM: The reason I ask about that is that after the last NEC on this it seemed there was complete ambiguity about what your position as a party was.

JM: We've said very, very clearly, we will go to a public vote to block any bad deal and we'll block a no deal as well. But we've also said time will tell in the negotiations, they've got to recognise the reality that there will be MPs who will want to vote for a public vote.

AM: Can I just stop you there because I mean the problem is if you are going to guarantee a public vote on a Tory Brexit and we know the Tory Party won't allow another vote, then it's not going to happen. And if it's a Labour Brexit you're saying you're not going to guarantee a public vote. So there is not going to be one.

JM: What we're trying to do, and this is the issue in the negotiations themselves, we're trying to see what arrangements

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that would recognise that a large number of MPs want to have a public vote. But it goes beyond that.

AM: Sorry, completely confuses your own party. Let me show you two Labour MPs tweeting minutes after that NEC result. We've got Wes Streeting there saying, I'm "glad the NEC has made the right call and confirmed that a public vote will be in our manifesto." And Gloria De Piero saying, "Labour's manifesto will not contain a pledge to hold a second Brexit referendum." Now they can't both be right. Which is right?

JM: We strictly adhere to what our conference decided.

AM: Just totally different views there. Tell us which is right.

JM: No I accept that but let me tell you we strictly adhere to what our conference has decided, which is basically we'll block a no deal, we'll block a bad deal, we'll seek to get a deal which we think will protect jobs and the economy. If we can't get that, yes, our preference is a General Election, that's a public vote, but if necessary yes, go back for another public vote. And we've religiously held to that.

AM: Emily Thornberry has been absolutely clear that in the end it's going to have to be a public vote. Do you agree with her?

JM: It may well be because we've said –

AM; Well may well is not will be.

JM: No, but that's part of the negotiations that we're having. I think the Conservatives had to recognise that if a deal is going to go through there might be a large number of MPs who will want a public vote. That's the reality of it and we've got to take that into account.

AM: In your waters, as somebody involved in these talks, do you think in the end we will see another referendum?

JM: I don't want to preclude anything at the moment and it's exactly my criticism of the Prime Minister this weekend. These talks were meant to be confidence building, therefore

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confidentiality maintained, and the idea is to try and do the best not for party but for country and that's what we're trying to do.

AM: Now at the heart of the talks, as we've discussed, is a customs union but in many ways a customs union based agreement would be a bad deal because it wouldn't allow us to the main thing that Brexit would allow us to do which is to strike trade deals around the world.

JM: Well that's the strong difference between us and the Tories, because we believe better deals can be struck if us alongside the other 27 of our European partners negotiate those deals as a bloc and that's one of the strong arguments that we've put forward. And that's why there is negotiations around that.

AM: But they set the terms: Barry Gardiner your colleague has said it's deeply unattractive to have a customs union.

JM: We've been trying to ensure that we negotiate and compromise in the interests of the country and that's where we're at the moment.

AM: Well, let me move on to something else. As a party you have acknowledged that there is a climate change emergency. Now an emergency presumably means you're looking at your policies and you're changing things. Can I ask you when it comes to tax and spending what you are changing in response to a climate emergency?

JM: We're doing a complete review, that's the first thing. Let me just go through some of the ideas. In terms of the Treasury we're rewriting the Green Book. The Green Book is the criteria by which investment decisions are made by government and one of the key priorities is going to be tackling climate change. That will be exactly the same in our taxation review that we're taking at the moment, including the review of all tax reliefs. Our whole direction at the moment is about tackling climate change and tackling inequality, particularly regional inequalities within our society.

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Those will be our priorities and it's the same with our industrial structures.

AM: And this is all intended to remove carbon emissions from the British economy entirely?

JM: We want a zero carbon economy.

AM: But not for 31 years which is a long time for an emergency service.

JM: No, that was the long date. We've said if we can do it before that we will and the science will drive this.

AM: And in terms of ordinary people just watching this programme do you think this means giving up all petrol and diesel cars, giving up flying long distance, giving up meat? What kind of things as individuals?

JM: Okay, let me just give you an example of how you move forward practically on this. I've met the motor manufacturers through the Motor Manufacturing Association. They want to move to electric cars so we're saying to them you draft with us a manifesto for the next election and we will support you in doing that. Can you remember what happened before – Labour introduced a car scrapage scheme for example, worked tremendously, but they also put £2 billion into research and development. We want to be a government like that. Investing in the economy with a – well with a social purpose.

AM: You've got Heathrow in your constituency, do you think we're all going to have to fly less?

JM: Yes, I think we are. I think we've all got to make conscious decisions and that's why also as you know I'm opposed to the third runway.

AM: Can I ask you, Extinction Rebellion themselves met you and you talked to them. They were slightly underwhelmed I have to

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say afterwards. They said "we're glad that he listened and so forth but we need our politicians to be more ambitious. Our children's future is on the line, we wait to see if the Labour Party will act with courage and determination in this moment." Will you?

JM: I just love them. I think they were great, I really do.

AM: You found people more radical than yourself?

JM: I just think they're brilliant. We need those sort of people. We need them on our case, so what I've said is please come in, brief my Treasury team. I've asked Jeremy if they can come along and brief the Shadow Cabinet as well. We need them on our case pushing us all the time. They're brilliant.

AM: Now it's reported this morning that water renationalisation is going to cost you around £20 billion. Is that right?

JM: No, the figure that the F.T through Moody's the ratings agency said it was about 14 billion.

AM: 14?

JM: 14. 14.8 was the figure and that was what Moody's came up with and we've said that depends on, it will all depend on what price parliament puts on it. Parliament will decide. That money will be borrowed. Water is a successful company in terms of income it raises, the income that we will manage more effectively will cover the borrowing so there will be no net cost.

AM: Well that is less than the market value at the moment, as you know.

JM: Well parliament will decide.

AM: - that means that pension fund holders and so forth will be out of pocket as a result of that.

JM: No they'll be protected. They will get the appropriate sum, the appropriate payment that parliament will decide. It's the same way with every nationalisation in the past.

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AM: Clifford Chance, the law firm have said that you could be forced to give investors the full value of their investments. Are you worried about that?

JM: That has not happened in the past and the way in which parliament has dealt with nationalisations in the past has been upheld, not just in our own courts but in European courts as well.

AM: Let's end up by talking again about these talks which are absolutely at the centre of politics. You're meeting again on Tuesday. Is that the deadline? Are you going to discover this week whether these talks are successful or failing?

JM: Well it wasn't set as a deadline when we met last time so the Prime Minister seems to be inventing this deadline and what I'm worried about is it's getting dragged into the leadership contest within the Conservative Party. So what we're saying to our Conservative colleagues is look, put party politics to one side, do what we're doing. Put the interest of the country first.

AM: Do you have a deadline yourself?

JM: We're trying to do this as soon as possible. We're not setting artificial deadlines, but what we're also saying to them we've got to have some guarantees, because every leadership candidate now is threatening to rip this deal up. One of the guarantees could be our negotiations with our European partners to embed some of this deal within a withdrawal agreement and a political declaration.

AM: In a word, a single word, do you trust the Prime Minister?

JM: No. Sorry not after this weekend when she's blown the confidentiality we had and I actually think she's jeopardized the negotiations for her own personal protection.

Ends