ANDREW MARR SHOW, 6TH MAY, 2018 – JOHN McDONNELL

JOHN McDONNELL, MP
SHADOW CHANCELLOR

AM: As we’ve been hearing, huge decisions for the government over the customs union, probably coming this week, so what’s the latest Labour thinking. I’m joined now by the Shadow Chancellor, John McDonnell. Before we get onto that of course John McDonnell, we must talk about the local elections. We could have a rather dull conversation which I say what about Barnet? And you say, what about Trafford? And we just exchange results. Can we put all of that to one side and just ask you, you’re an experienced guy, looking at the elections across the board are there things that you conclude that Labour should be doing differently to ensure that your successes this time round are replicated at the next General Election?

JM: Before I come onto that, do you mind if I just send my best wishes to Alex Ferguson’s family as well?

AM: Very good idea. Very good idea.

JM: Alex, as you know, is part of the Labour family. If anyone’s going to fight this it will be him. Let’s hope he comes through this well.

In terms of what – let’s get the objective analysis as much as I can. Last year people thought the General Election and our performance was a fluke. Well we’ve demonstrated it was and we’ve consolidated that and we’ve moved it forward in terms of percentage share of the vote, which was really helpful. The intensity of our campaigning on the ground in local elections was demonstrated that we can deliver the vote. There’s areas that we’ve got to focus on and I’ll just give the example. I think the concerns that people have, particularly outside of London is this issue about being left behind. It motivated the Brexit vote, I think it’s motivated a lot of disgruntlement at local level as well, so how
do we transform those communities, how do we get the investment in, how do we tackle the unemployment issue, those sort of things.

AM: You did less well in as it were the smaller English towns outside the big metropolitan centres.

JM: Mixed.

AM: Less well than they did in London and so forth.

JM: Well it’s mixed. We picked up Kirklees, Plymouth. Trafford, I know you can say it’s a northern area in Greater Manchester, Greater Manchester now completely red, no blue seen in there at all, so there are issues now about how we address those communities - this isn’t just party political anymore either – that feel that their economy, particularly blighted by austerity has left them behind. That’s our work now. We’re now going to tour the country with detailed seminars, discussions, going out to the community, community campaigning to talk about what sort of economy do they need, what public services they need. How we fund them, how we can involve the community and transform their community. So this has got a very positive campaigning for us.

AM: We were talking about London. The leader of Barnet has asked you and Jeremy Corbyn to come to Barnet and apologise to the Jewish community in Barnet. Are you going to do that?

JM: Well, we’ll be meeting on - meeting some of the Barnet councillors next week. Tuesday night, I think. Anti-Semitism certainly had its effect, there’s no doubt about it in Barnet itself. I’m hoping that the measures we’ve put in place now, the Chakrabarti Report implemented in full, Jennie Formby, new General Secretary. Jeremy Corbyn said to Jennie, your first priority is tackling this issue. When we meet the Board of Deputies and the Jewish Leadership Council again in July I’m hoping we’re going to demonstrate to them really positive progress. But can I just go
back to the point you raised earlier? This issue of racism, anti-Semitism racism has affected our community. We cannot tolerate it and we can't tolerate racism in any party. You mention Pendle. I'm now going to Pendle today, some of my family are up there. I'm meeting party members. To have the Conservative Party take control of that council by reinstating a councillor who used the foulest, foulest joke, a racist joke is unacceptable.

AM: It was really horrible, I grant you.

JM: I want Theresa May now to say to — well Brandon Lewis who congratulated those councillors to first of all apologise and suspend that councillor again, it's unacceptable. Cross parties we've got to campaign against anti-Semitism and racism overall.

AM: Let's move on to Brexit which is the theme of the show to a certain extent. Now there are two options on the table in front of Cabinet and they're arguing about them at the moment. Presumably you're against both of those options. You have a different answer to the customs union.

JM: I think you've just heard from the real leader of the Conservative Party what the position is from them and Theresa May well have had her orders from yesterday's meeting, obviously. I think the Conservatives are going to fall apart on this. What we've said very clearly — and I think actually quite a lot of the Conservatives are going to follow us in this. We remain within the customs union during the transition period. We want to negotiate a customs union, that will solve the Northern Ireland border problem which I think is intractable and you've just demonstrated that. In addition to that it will get us the tariff free trade that we want and it will protect jobs in the economy. In that way, in that way I think we've got a deal to be had and I think a number of Conservative MPs will vote for it.
AM: There are three potential problems I can see with your idea of a customs union. The first is that you want Britain to carry on having influence in seeking trade deals for the EU in the future. The EU has said time and again that is a complete nonstarter. You’re outside the EU, you don’t have influence.

JM: That’s part of the negotiating position we want to get in. I think there will be movement from the EU on that, we’ve put that on the table and the reason I think there will be movement is because of the strength and the growth of our economy into one of the largest – well, the largest economies in the world in the last, well three decades.

AM: Well Michel Barnier has said: “we cant change our rules. Our rules remain the same. When you’re in a customs union for goods like Turkey for example, you become part of a common trade policy, you don’t have autonomy anymore.”

JM: And I think that’s the issues and problems which we can negotiate upon. If we can change the mood of these negotiations instead of this banging the table, walking away, threatening to walk away and it’s - we’ve discussed this before – change the mood, one where we recognise mutual interest and mutual respect, we think we can get that deal.

AM: You can get that.

JM: And we’ve talked to our European colleagues. There’s support for these issues.

AM: A second issue is the Irish border itself. Of course a customs union helps that, but it doesn’t answer the problem, because if you’re outside the single market then there are regulatory divergencies which have to be dealt with on a border.
JM: And that’s why we want to get as close to the single market as we possibly can. That will be part of the negotiations. But you know as well as I do the solutions that have been brought forward today, well by Arlene and also by the Prime Minister, there are nearly 300 entry points between Northern Ireland and Southern Ireland, it’s impossible to have - well a technological solution or any other solution other than a customs union.

AM: But you also want to get out of the state aid rules of the current EU and again, if you want to be inside a customs union they’re going to say no, you have to accept the state aid rules.

JM: Well not necessarily and again that’s subject for negotiation. We’ve looked at whether or not the current rules can impact upon our decision making when we go into government and that’s some of the discussions that we’re having with Commissioners. I’ve said look, here’s our manifesto that we stood in the last election, you tell me what will impact upon that and what won’t and what we can negotiate on and we can do that. It’s a constructive negotiation.

AM: If they say you have to stick with our state aid rules and that’s that, what do you do then?

JM: I don’t think they will. I think there’s flexibility and if you look at other European countries they’ve had that flexibility. We’ve had other countries - for example take the steel industry. Other countries intervened to protect their steel industry in a way this government refused for a long period of time using the excuse of state aid rules.

AM: Okay. One of the other things we read, we don’t know, but we read is that this country’s not going to be ready technologically for any of these solutions, possibly until 2022 or 2023. In those circumstances, and you know you could be in power very, very
quickly if there’s a snap election, what do you do? Do you extend the transition period from 2020 through to 2023?

JM: Look, we’ve always said that the transition period should be as short as possible but as long as necessary. We think two years is enough. Obviously we’ll review that continuously but we think two years is enough, but that’s our principle. Short as possible, long as necessary.

AM: But long as necessary means that if the technology isn’t ready you extend.

JM: I think we can be in a position within that two year period where we can reach the agreements and the arrangements to enable us to respect the referendum result, but maintain the protection of our economy.

AM: Okay but you can’t know that, I can’t know that. It’s slightly this, isn’t it?

JM: No, I don’t think it is. I think proper planning when we go into government will enable that to happen. The problem that we’ve got at the moment is that we have a government that is in complete disarray. The divisions within – and let me just use this example. We want to have the legislation before us with regard to trade and customs, the government even bring that legislation forward ‘cause they’re terrified of their own backbenchers and losing.

AM: We’ll see what happens in the House of Commons shortly. We were talking about the local elections at the start of this. One thing that seems to be happening in this country is there’s a big generational division in politics. You’re getting a lot more of the younger voters and a lot more of the metropolitan voters and that’s no doubt very, very good for the Labour Party. The trouble
is that they’re also the most anti Brexit voters. Isn’t it possible, shouldn’t you look again at the possibility of actually staying inside the single market as well as the customs union and doing what you’re own supporters, your own peers want you to do?

JM: Look. Let’s go back to this. People like Alastair Campbell and others have been critical of us. We’re saying that if we didn’t take an anti Brexit position, trying to reverse the referendum we would lose Remain votes. That hasn’t happened. You’ve seen in that in the results of London. Then take the other side –

AM: You’re voting the referendum off the table.

JM: - he’s now saying if you take an anti Brexit position, firm position you’ll pick up votes in Leave constituencies. That’s illogical. What people want is a traditional British compromise. Respect the referendum result, but get the best deal you can to protect our economy and protect our jobs.

AM: Stay close to the customs union, close to the single market?

JM: A customs union, close to the single market, negotiate a position that will protect our communities. We’re the only party that can do that.

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