ANDREW MARR: 
And thus to the story of the autumn, one of the biggest and fastest shifts in the public mood I can ever remember. Did a single photograph of a drowned Syrian boy persuade the government and the public we should be accepting vastly more Syrian refugees? Well we’re waiting for the details of exactly how many will be allowed in and how they’ll be picked. To help us with these questions, the Chancellor George Osborne is with me now. Good morning, Chancellor.

GEORGE OSBORNE: 
Good morning.

ANDREW MARR: 
First of all, before those pictures started to circulate, there was a real sense and the Prime Minister said that bringing in more and more and more refugees is not the answer and then something changed, so do you concede that that picture changed everything?
**GEORGE OSBORNE:**
Well I think that picture brought home to the British public and indeed to British politicians the sheer horror of what was going on even though of course there had been many reports over the summer of boats sinking.

**ANDREW MARR:**
You knew in words, as it were?

**GEORGE OSBORNE:**
Well it’s a bit like it reminded me of that photo in Vietnam of the girl who had been affected by the napalm …

**ANDREW MARR:**
(simultaneously) The napalm.

**GEORGE OSBORNE:**
… and you know that’s the great role of photo journalism in the media sometimes: to encapsulate a crisis that involves many thousands of people in the tragedy of a single individual.

**ANDREW MARR:**
So policy has changed. The big question now is how many people we’re going to allow in. There’s 15,000 coming in according to The Sunday Times. Is that roughly speaking an accurate figure?

**GEORGE OSBORNE:**
Well, first of all, I don’t think policy has changed. I think it’s just brought home to everyone the urgency of the crisis.

**ANDREW MARR:**
(over) Well it must have done, surely?

**GEORGE OSBORNE:**
No I … If you look at what Britain has been doing, we have been playing a leading
role. We’ve taken thousands of refugees. We’ve been spending more aid than any other European country on the Syrian border and the Royal Navy is there in the Mediterranean trying to save people on these boats and tackle the evil gangs that are smuggling them. So …

ANDREW MARR:

(over) Sure but in the scheme …

GEORGE OSBORNE:

(over) … we play a leading role, but you’re absolutely right – it’s clear Britain needs to do even more like all these other countries.

ANDREW MARR:

(over) Yes because in the scheme specifically for Syrian people and so forth, people who’ve suffered torture, I think 216 people have been allowed in so far and now we’re talking about tens of thousands.

GEORGE OSBORNE:

Well the Prime Minister will set out the approach to the House of Commons tomorrow, but I think I can say this. You know Britain is going to approach this crisis with a head as well as a heart. In the short-term we’re going to take more refugees, but not in a way that encourages them onto these dangerous boats. In the longer term, I think we need a fundamental rethink of our aid policy, so yes we support reducing poverty but we also direct our additional aid spending to these failed states, to this refugee crisis, to the big threats facing Britain. So the question in the spending review is not just how does our aid budget help the rest of the world, but how does it help Britain’s national interest.

ANDREW MARR:

I want to come back to that in a moment, but just on this extraordinary moment in the story. Words like ‘swarm’ and so and stuff, which were used before, are they now out of court? Has the language changed as well as far as you’re concerned?

GEORGE OSBORNE:
Well we were talking then about the situation at Calais, which was chaotic, and that’s why Theresa May and David Cameron over the summer have taken steps to restore order - still more work to be done there – at the Calais terminal. But that’s now happening and you know the incidents have reduced there. Look this is a huge challenge for the West and it starts with the problem in Syria, the Assad regime, Isil driving these people from their homes. We then have the challenge that people are not staying in the refugee camps on the borders. We need to spend more money trying to keep them there and house them there, so they can return home when stability eventually returns to Syria. We’ve got to break up these criminal gangs who trade in human life …

ANDREW MARR:
Sure.

GEORGE OSBORNE:
... and we’ve got to make sure we offer, as we always have as a country, a home to genuine refugees. Put that together and you’ve got a comprehensive plan. And you know Britain’s argument in this whole crisis is …

ANDREW MARR:
(over) Okay I want to look at …

GEORGE OSBORNE:
(over) … let’s not just deal with the symptoms, let’s go to the causes.

ANDREW MARR:
… I do want to look at almost every aspect of that. Before we do, just going back to the numbers, how are you actually going to take this decision? I mean there are two possible approaches I can imagine: you go round the country – and Scotland has already said we’re going to take 5,000 people and we’ve allocated money for it … Do you go round the country saying “Okay, Cheshire, how many are you going to take? Bournemouth, how many people can you accept?” and so forth, and tot up in the end how many people can be safely and well accommodated in this country according to local authorities, or do you go into the camps with different criteria and select people
inside the camps? How do you do it?

GEORGE OSBORNE:
Well the first thing is whilst helping people in desperate need, we should not encourage more families to make that desperately dangerous journey across the Mediterranean, and so we think we should go directly to these refugee camps and help people there and bring people there from those camps to the United Kingdom. We need to make an assessment of what our public services and our infrastructure can support. But let me say this: the foreign aid budget we have – and you know we’ve increased this foreign aid budget – can provide the support in the first year for these refugees, could help the local councils with things like housing costs, and we will deploy the foreign aid budget to help with the costs of these refugees.

ANDREW MARR:
(over) Help bring in refugees.

GEORGE OSBORNE:
So that - you know and understandably people here ask about the pressure on public services – we’ll have extra money to help local authorities deal with that.

ANDREW MARR:
That’s very interesting. But again if you make the selection fundamentally in the camps, then you can see all sorts of chaotic and miserable scenes, people desperate to come here, and the question of how you pick and who you pick is very important. We could, for instance, take every single unaccompanied child into Britain. I don’t know what kind of criteria you’re going to use.

GEORGE OSBORNE:
Well I don’t … You know I don’t want to preempt the statement the Prime Minister’s going to be making to the House of Commons tomorrow, but he will be dealing with these issues of how we’re going to operate this system in the refugee camps. The reason we’re doing the system in the refugee camps is we don’t want to say to people you can only have a home in Britain if you’ve made it across the Mediterranean …
ANDREW MARR:
Sure.

GEORGE OSBORNE:
… or you’ve made that dangerous journey from Bodrum to Kos as that poor child was trying to make. You know we’re trying to deter the criminal gangs rather than provide a magnate.

ANDREW MARR:
(over) I know, I get that.

GEORGE OSBORNE:
There’s a particular challenge with orphaned children, which I think you know everyone understands the human tragedy involved there. I think we have to look at what we can do for those children in need and there’s been an outpouring of compassion across this country, as you might expect in Britain, towards those children. So we need to put together … What I think is important …

ANDREW MARR:
(over) Sure. Do we …

GEORGE OSBORNE:
(over) … is we have got to have as a country, and we owe it to these people, a comprehensive plan that doesn’t just say okay we’re going to deal with the problem in the you know railway station in Budapest. You’ve got to go to the cause of the problem. You’ve got to go to the …

ANDREW MARR:
(over) So given that …

GEORGE OSBORNE:
(over) … you’ve got to try and deter people from making this desperately dangerous journey obviously for a better life for themselves and their families, but putting their lives at risk in the process.
ANDREW MARR:
(over) In doing so. Given that, and given all you’ve been saying, I assume that this new scheme is totally distinct from any kind of quota scheme for people already inside Europe? I mean you know there’s been lots of talks about the Germans taking x number, the French x number, the British … We’re not going to be part of that?

GEORGE OSBORNE:
Well those members of the Schengen Agreement …

ANDREW MARR:
Yeah.

GEORGE OSBORNE:
... the open borders of Europe, you know have a particular problem and they’re trying to devise a quota system. We’re not part of that. By the way, it’s a reminder that Britain has a different relationship with the European Union and I think we can make that relationship different still to reflect Britain’s particular economic needs. What we think is rather than taking part in that quota system, let’s build on what Britain’s already been doing in these refugee camps and let’s … you know the British public – because after all they’re the people watching this programme, who pay their taxes - can be incredibly proud that we’ve provided more aid for the Syrian refugees on the border than any other European country. As the Prime Minister announced just the other day, we’re increasing that to a billion pounds and I think there’s scope to do much more. You know here’s a … We’ve got a £12 billion aid budget. We spend £250 million on those countries like Syria, Jordan and Turkey and the like. By the way five years ago we were spending £10 million.

ANDREW MARR:
(over) You want a kind of dramatic change of direction inside the budget?

GEORGE OSBORNE:
(over) I think you’ve got … you’ve got to have a fundamental rethink of how we’re using this budget. We’ve got the opportunity because this budget has gone up. We’re
the only country in the world that meets both its .7 per cent commitment on aid and 2 per cent commitment on defence.

**ANDREW MARR:**

*(over)* But presumably … I’m sorry to break in …

**GEORGE OSBORNE:**

*(over)* That’s an enormous opportunity for us.

**ANDREW MARR:**

*(over)* … but presumably quite a lot of it is already committed to various projects around the world?

**GEORGE OSBORNE:**

Yes but this budget is tied to our GDP and our GDP is going up. Let’s use the additional money very specifically on the challenges Britain faces – one of which is this crisis on our doorstep. Look, as I say, five years ago we were spending £10 million on this region. Now we’re spending £250 million, but it’s still in my view not nearly enough. Yes we do brilliant work reducing poverty …

**ANDREW MARR:**

*(over)* Okay.

**GEORGE OSBORNE:**

*(over)* … but, look, you’ve got to make sure the aid money is well spent, we’ve got to have a fundamental review of how that money’s spent – and by the way Justine Greening has been leading this work in a brilliant way.

**ANDREW MARR:**

Okay.

**GEORGE OSBORNE:**

We’ve got to … But where is Britain’s national interest? It is in helping this crisis on our doorsteps and using this big commitment we’ve made as a British people to the
aid budget to help.

ANDREW MARR:
Alright, now you’ve said in the past and the Prime Minister’s said you can’t solve this thing without solving the Syrian problem, without resol… without getting rid of the Assad regime and indeed taking on ISIS in Syria. Now that suggests to many people that we must have a change of policy to allow bombing at least in Syria, and probably more than that, and that would in turn require a vote presumably in the House of Commons?

GEORGE OSBORNE:
Well we’re already doing a lot to take the fight to Isil. We do it in Iraq with the consent of the Iraqi government.

ANDREW MARR:
(over) Not very successfully.

GEORGE OSBORNE:
Well I agree that the West has not yet done enough to contain Isil, and in Syria we help with the air-to-air refuelling, we help with intelligence, we … But the question you ask is should British war planes be bombing Isil positions in Syria? The truth is this: this government, or the Conservatives now in government, took to the House of Commons a couple of years ago a proposal to intervene in Syria …

ANDREW MARR:
(over) The 2013 vote, yes.

GEORGE OSBORNE:
... and it was rejected by the House of Commons. Personally I think that was one of the worst decisions the House of Commons has ever made, but we are not going to go back to the House of Commons unless we would be sure that we would get a different answer if we’re asking to intervene. So we need to see support across the House of Commons for this action. It doesn’t mean everyone has to be signed up to it, but we have to be sure that if we go back, we’re not going to get the answer no.
ANDREW MARR:

(over) Not backing … I understand that.

GEORGE OSBORNE:

And you know I don’t want to send the message out, when we’re doing so much to help in Syria, that we can’t do anymore. So we’ve got to spend the coming period making that argument to people. Personally I think … I think, the Prime Minister thinks, the Defence Secretary and the Foreign Secretary, we all think there is a strong case – and indeed an argument around coherence – that if you’re tackling ISIS on one side of the Iraqi border …

ANDREW MARR

(over) You have to tackle on the other?

GEORGE OSBORNE:

(over) … you should be tackling it on the other side in Syria. But …

ANDREW MARR:

(over) So just returning …

GEORGE OSBORNE:

(over) … but we’ve got to persuade the House … We’re in a democracy …

ANDREW MARR:

(over) Absolutely.

GEORGE OSBORNE:

(over) … and we’ve got to persuade the House of Commons.

ANDREW MARR:

Now is that made easier in the possible event (not certain) of a Corbyn victory because a lot of this depends presumably on the discipline of the Labour Party, the Labour opposition? Last time round, they were whipped to vote against military
action.

**GEORGE OSBORNE:**
Yeah.

**ANDREW MARR:**
This time round, it might be very different. Are you making those kind of calculations?

**GEORGE OSBORNE:**
Well to be honest, we don’t know what’s going to happen in the Labour Party and the dust has got to settle on their leadership election. You’re right that the Labour Party voted as a block against action. I thought it was one of the most opportunistic things they did at the time because I don’t think it’s really what they thought. But we would have to let the dust settle. We have to make … We have to go and make the argument. Look and I think you have plenty of Labour MPs, you know people like Harriet Harman you know who’s made a huge contribution by the way, I should say, to British politics since this is her last appearance in her formal capacity. I suspect she’s not particularly comfortable with the position the Labour Party took. So that’s one of the elements, but I don’t want to say …

**ANDREW MARR:**
*(over)* So there is the prospect …

**GEORGE OSBORNE:**
*(over)* … I wouldn’t say it’s …

**ANDREW MARR:**
*(over)* Alright, let’s just say there is the prospect of another vote and the possibility of winning it and the government’s watching that situation?

**GEORGE OSBORNE:**
Well we would have to … We would go back to the House of Commons if we thought …
ANDREW MARR:
(over) Okay.

GEORGE OSBORNE:
… that we could command support across the parties. It doesn’t mean every member of every party, but we’d have to win the vote. There’s no point going back and losing. I think that would be the worst of all worlds.

ANDREW MARR:
This time next week, we’ll know who’s won the Labour leadership election. You’re absolutely right, nobody really knows what’s going on at the moment. But one thing is clear: the Labour Party as an organisation and a movement appears to be moving a bit to the left; there’s been this huge upsurge of support for Jeremy Corbyn, lots of people coming into the Labour Party from the outside. What does that mean for the Tory Party? You could say okay the Labour Party are going off to the left, the wilderness. Great, we’ll move further to the right. We’ll be the real Tories – blue in tooth and claw we always wanted to be. Or you could say no, we are going to try and absorb the centre ground, we’re going to squat ever more heavily on the centre ground of British politics, and indeed reach out possibly to some of those people who were as it were Blairites and so forth. Which is it going to be?

GEORGE OSBORNE:
Well I think the Conservative Party has a big responsibility to represent the working people of Britain on the centre ground of British politics and to offer support and a home for people who don’t want a Labour Party that is far off to the left. And I’d say this. I don’t know who’s going to win the Labour leadership contest, but Jeremy Corbyn is more a symptom of what’s happened in the Labour Party than a cause. The Labour Party has moved sharply to the left, it’s abandoned the centre ground. And that is not so much an opportunity for the Conservative Party; it presents a big responsibility to us to speak up for working people. I mean I can give you one specific example. You know here in this city, the Mayor of London has proposed night tubes, the tubes to run at night, and the Labour Party and the Trade Union Movement has opposed that. But who are the biggest beneficiaries of the night tubes? It’s not
partygoers coming back in the middle of the night. It is people who are working night shifts – cleaners, some of the lowest paid people in our country who have long journeys into work who would benefit from a night tube. That’s a great example of where the Conservative Party starts by standing up for working people and the Labour Party finds itself the enemies of working people. And that’s why we’ve … you know we’ve got to take this deadly seriously, our responsibility, over the coming months.

ANDREW MARR:
What about austerity, therefore, because a lot of the people on that side of the argument do feel the poor in particular have got a very, very hard stick from you – that you’ve been cracking down on lots of poor families and the future for the welfare state is pretty bleak under George Osborne? They have got a totally legitimate point of view and they’ve got a point, haven’t they?

GEORGE OSBORNE:
Well I totally reject that. The people who suffer most when the economy fails are the poorest in our country. It’s not the richest, it’s not the trade union leaders; it’s the poorest who suffer when the economy fails. And because of the work we’ve done over the last five years, people who were unemployed have got jobs, the wages are going up, we’re now introducing a national living wage, and we’re going to have a welfare system that supports people in need but is sustainable and can be afforded and is, by the way, fair to the people who pay for it – the working people of the country.

ANDREW MARR:
So if the Labour Party are off the park in your view for a while in terms of a serious challenger for power, for whatever reason, we’re not going to see even more austerity, even a tougher attack on the welfare state in order to produce tax cuts for the middle classes at the next election, for instance?

GEORGE OSBORNE:
No I set out a plan at the Budget in July, which was that businesses would have lower taxes but have to pay higher wages; people would have lower welfare, but it’s a country that can afford to live within its means; and we’d have a national living wage. And I think that’s the kind of modern centre ground …
ANDREW MARR:
(over) Centre ground politics, alright.

GEORGE OSBORNE:
(over) … Conservative approach and that’s what we’re going to pursue in the years ahead whoever the Labour leader is.

ANDREW MARR:
Okay. George Osborne, for now many thanks.

ENDS