ANDREW MARR:
Last week, the Labour leadership hopeful Yvette Cooper in this studio accused an unnamed rival of swallowing one of these: the Conservative manifesto. Now she wouldn’t say exactly who she was talking about, but the smart money is on my next guest - seen as the standard bearer of the Blairite wing of the party - Liz Kendall. Liz Kendall, welcome.

LIZ KENDALL:
Thank you very much for having me.

ANDREW MARR:
Which bits of this would you spit out again?

LIZ KENDALL:
Look the only thing that I’ve swallowed is the sheer scale of the defeat that we faced at the election and the huge changes we need to win again. People didn’t trust us with their money or on the economy and we didn’t set out a positive enough vision for the future of the country that everyone could feel part of, and it’s the person that can answer those questions that’s going to win the leadership election to win the country
in 2020.

**ANDREW MARR:**
Now you’ve said there’s a whole series of Labour policies that you fought the election on that should go. What about the Conservative policies that are now facing the country? What about, for instance, the cut in the welfare bill? Are you in favour of a … do you believe that the welfare bill needs to be cut?

**LIZ KENDALL:**
We need to reform welfare because the current system is failing. It’s failing those people who can work but are just not getting the help they need to do so, and it’s failing people who can’t work and leaving many in an appalling situation where they can’t live with dignity and respect. We need welfare reform to get people back to work and provide proper support for those that can’t. That is a Labour value and what I’ll be pressing for in the leadership campaign.

**ANDREW MARR:**
What about getting rid of the deficit more generally? George Osborne this week has announced £3 billion of welfare cuts. By and large, do you support that?

**LIZ KENDALL:**
Look let’s see what the Conservatives come out with in their budget. I’m not going to provide a budget response to a budget that’s not even been delivered, but …

**ANDREW MARR:**
*(over)* He has announced these early cuts.

**LIZ KENDALL:**
… but it is vital that fiscal credibility is at the heart of all we do because people need to trust us with our money to win but also because there’s nothing progressive about spending more on debt interest payments than spending on the future of educating our children. That’s why we’re concerned about …

**ANDREW MARR:**
*(over)* So the deficit needs to be dealt with?
LIZ KENDALL:
The deficit needs to be dealt with, but we need to do far more.

ANDREW MARR:
Well but ju…

LIZ KENDALL:
We have a really big challenge …

ANDREW MARR:
(over) Before we go on to far more … I’m so sorry …

LIZ KENDALL:
(over) This is the really important challenge for the future.

ANDREW MARR:
Alright.

LIZ KENDALL:
How do we get jobs and growth in every part of the country? How do we make sure people are equipped with the skills they need to get the jobs of the future? And how do we make sure that people know that if the world and the jobs are changing, that they’re going to have a chance to succeed?

ANDREW MARR:
Okay.

LIZ KENDALL:
And that rebalancing of our economy is vital for the future and a big part of this campaign.

ANDREW MARR:
You haven’t quite answered my question about whether or not you’re in favour of
cuts to the government budget to deal with the deficit.  

**LIZ KENDALL:**  
We need to balance the books and live within our means …

**ANDREW MARR:**  
So is that a yes?

**LIZ KENDALL:**  
… but in a better, fairer way. Look when we’ve seen what George Osborne is proposing, I’ll come back to you, Andrew. And I’ll come back. I’m very happy to be back here.

**ANDREW MARR:**  
(over) Okay, but we saw £3 billion cuts announced this week, Liz Kendall.

**LIZ KENDALL:**  
But let’s see what the details are. I mean we have yet to see many of the commitments that the Conservatives made …

**ANDREW MARR:**  
Okay.

**LIZ KENDALL:**  
… during the campaign. But fiscal credibility and responsibility and living within our means is essential, but so too is making sure we have real growth in all parts of the country.

**ANDREW MARR:**  
Let’s …

**LIZ KENDALL:**  
Ed Miliband was actually right about that as a big challenge and that’s what we need to do to win in 2020.
ANDREW MARR:
Let’s talk about another area which people are very concerned about at the moment, which is migration. The Prime Minister is out there at the moment fighting for the policy that migrant workers from the rest of the EU should have their tax credits removed, at least for four years. Do you approve of that policy?

LIZ KENDALL:
There is a big question about that. But this is about something far greater. This is about …

ANDREW MARR:
(over) It’s … No but that is my question.

LIZ KENDALL:
We do have to deal with the issue of people who come here to work and that they must be working and not claiming benefits. But this is about something much bigger, Andrew. It is about the future of our country and our place in the world. And whatever David Cameron argues, it’s not going to be good enough for many of his backbenchers. David Cameron should be focusing on what is in Britain’s national interest and our place in the world, not on internal party politics. This is a huge question for Britain …

ANDREW MARR:
Okay.

LIZ KENDALL:
… that’s not just about tax credits for Polish workers alone.

ANDREW MARR:
Okay. Well I know, but I need to ask you specifically are you in favour of removing tax credits for migrant workers coming to this country?

LIZ KENDALL:
That’s definitely something we should look at, but this is a far bigger debate, Andrew.
Are we really going to …

ANDREW MARR:
(over) But you can’t tell me if you’re in favour or if you’re not.

LIZ KENDALL:
(over) … are we really going to spend this period in the run-up to the referendum discussing whether it’s about tax credits for Polish workers alone?

ANDREW MARR:
I think we are, yes.

LIZ KENDALL:
Okay that has to be dealt with, but it’s also about the fu…

ANDREW MARR:
(over) So you’re in favour of what the Prime Minister’s trying to achieve?

LIZ KENDALL:
(over) … it’s also about the future of our economy, our national security, whether we’re part of a European Union that can deal with the big issues of the future like climate change. Now of course David Cameron is reducing the question because he’s failed to show leadership with his own backbenchers. I want to stand up …

ANDREW MARR:
(over) But on this specific issue?

LIZ KENDALL:
… I want to stand up for Britain’s national interests. That will always come first if I’m leader of our party.

ANDREW MARR:
Very few politicians sit in that chair and say “I don’t want to stand up for Britain’s national interests.”
LIZ KENDALL:
But David Cameron isn’t.

ANDREW MARR:
I’m asking you a very straight question about what has become the key issue between him and the rest of the EU …

LIZ KENDALL:
But he’s a…

ANDREW MARR:
... on tax credits.

LIZ KENDALL:
… he has allowed this to define whether or not Britain remains part of Europe. That is a profound lack of leadership on his behalf because he is more concerned about internal political management than the future of the country. That will not happen if I’m leader of the Labour Party.

ANDREW MARR:
I’m going to carry on because I still want to know whether you’re in favour of this policy of removing tax credits from migrant workers or not.

LIZ KENDALL:
Look I’m in favour of free movement of labour but not free movement of benefits; people who come here should come to work and that is extremely important that that is dealt with. But if we allow this debate to be defined but that issue alone, we will be profoundly wrong. This is about Britain’s place in the world …

ANDREW MARR:
Okay.

LIZ KENDALL:
... our future economy. And I’m sure you will continue asking all of these questions.

ANDREW MARR:
I certainly will.

LIZ KENDALL:
My job, as someone who wants to be leader of the Labour Party, is to say focus on the big issues for our country in future.

ANDREW MARR
Now one of the big issues you’ve been focusing on is the need to keep the 2 per cent limit on defence spending – in other words for defence spending to rise probably slightly higher than the Conservatives would want during this parliament. A lot of Labour Party people will say that’s a slightly strange thing to want. Can you explain why you want it and what you want that money to be spent on?

LIZ KENDALL:
I believe that we face such profound risks in the world with what’s happening with ISIL and in Syria and Iraq and the Middle East, the threats and risks we see right across the world with what’s happening in Russia and the Ukraine. And I think that it is vital that the UK keeps its commitment to spending 2 per cent of GDP on defence and keeps our commitment to our NATO allies because as a Labour Party, we’ve always understood that what happens beyond our borders can affect us here and that also our values and responsibilities don’t stop at Britain’s borders. It’s an extremely important issue for the future of the country.

ANDREW MARR:
In the paper review, we were talking about the terrible things that ISIL is up to in Iraq and Syria – the beheadings, the mass executions, gay men being thrown off the top of buildings in front of crowds,

LIZ KENDALL:
Women being burnt in cages because they won’t indulge in sexual activities.
ANDREW MARR:
All of that.

LIZ KENDALL:
It is a complete … It is a complete moral outrage. But also what’s happening is …

ANDREW MARR:
Do you think we should be doing more is the question? Do you think that we should be thinking about boots on the ground actually because clearly what we’re doing at the moment isn’t working?

LIZ KENDALL:
I don’t think that that’s the solution. We need a political strategy for the entire region. We need to really deal with the issue of disaffection and discontent between Sunnis and Shia. And that’s what we really need and this links back to the point about Britain’s role in the world. I think our place in Europe is essential as part of our wider international relationships and we need to show an understanding that what happens in other countries can also affect us here. We’ve seen you know four million displaced people in Syria alongside a quarter of a million who are dead. That has a profound effect also on what happens in this country.

ANDREW MARR:
You’ve talked today about the importance of devolution, much more radical devolution in Britain.

LIZ KENDALL:
Yeah.

ANDREW MARR:
That suggests very strongly you actually approve of George Osborne’s Northern Powerhouse strategy, which is I think politically designed to finally kill you off as a party in the North of England.

LIZ KENDALL:
I think it’s essential that we push more power out of Whitehall and into the hands of
people in all parts of the country, but that’s also got to be matched by a fair funding formula and if you see what the Tories have done with local government funding, they’ve disproportionately hit the areas that need support the most. But I want to explain why it’s so important that we push power out of Whitehall.

**ANDREW MARR:**
Okay well very quickly because we’re running out of time.

**LIZ KENDALL:**
It’s because the decisions … I think we make better decisions …

**ANDREW MARR:**
Locally.

**LIZ KENDALL:**
… if they’re closer to people. We also get better results and it’s also I think part of dealing with this whole issue of identity and what’s happening across England …

**ANDREW MARR:**
Okay, okay.

**LIZ KENDALL:**
… and that is definitely a big issue I’ll be pushing in this leadership election.

**ANDREW MARR:**
The thing that people say about you, Liz Kendall, is she’s got some very strong ideas, it’s clear that she knows where she wants to go politically, but is she – and I put this bluntly – big enough for the job? Is she the person to go into a room with Vladimir Putin and stare him in the eye and tell him what she really thinks of him? Have you got the heft one day to be a British prime minister?

**LIZ KENDALL:**
Yes I do. And the question for this leadership election is not what jobs people have had in the past, but who will face up to what we need to do to win in 2020 to change
our country? That’s what I believe I have to offer.

**ANDREW MARR:**

Liz Kendall, thank you very much indeed for coming in this morning.

**INTERVIEW ENDS**