ANDREW MARR:
Now Labour has said that the slower than expected rate of deficit reduction revealed by last week’s Autumn Statement showed that George Osborne’s plans were not working. The party’s vowed that if they were returned to power next May, they’d make fairer choices to increase wages and take the burden off the less wealthy. They’ve also pledged to rebalance the books as soon as possible into the next parliament. Well I’m joined now by the Shadow Business Secretary Chuka Umunna.

CHUKA UMUNNA:
Good morning, Andrew.

ANDREW MARR:
Welcome. Good morning.

CHUKA UMUNNA:
Good to be here.

ANDREW MARR:
Now where under a Labour government would the pain come in the next five years?
CHUKA UMUNNA:
Well, as you said, it’s not just where you cut; it’s what wages, what levels wages are at, and it’s also how much more of a contribution you ask the extremely wealthy to make. We’ve said we will seek to get the current budget into surplus as soon as possible in the next parliament and we want to see national debt falling as a percentage of GDP. But we also want to ensure that we raise wages because we know from the Office for Budget Responsibility’s report that the reason that this government has comprehensively failed in every respect to reduce the debt and the deficit is because wages have not come in at what was expected and therefore income tax and national insurance receipts have been much lower.

ANDREW MARR:
They’ve taken 50 billion out of the deficit, so they haven’t entirely failed.

CHUKA UMUNNA:
Well look …

ANDREW MARR:
The big question is what would you cut? And so far the Labour Party fails to say … Every time you’re asked as a party this question – where are the big cuts going to come? – you talk about something else.

CHUKA UMUNNA:
Well no, we’ve given very important direction of travel indicators. We will cap the increase in child benefit to 1 per cent in the next parliament, we will not be giving wealthy pensioners winter fuel allowance, and there are other tough decisions that we’ve mentioned, but ultimately we’ve said we will take as a starting point the government’s 2015/16 spending plans for our own plans in the first year of the next government. Now of course we’ve still got one more budget to go. But, Andrew, what we have seen this week I think is quite a moment because you’ve seen a heartless and hopeless …

ANDREW MARR:
(over) With respect …
CHUKA UMUNNA:
(over) ... Tory led government ...

ANDREW MARR:
(over) … with respect you’re not answering my question about where you will cut.

CHUKA UMUNNA:
(over) I have answered the question.

ANDREW MARR:
You’ve given me a couple of tiny examples, but where in terms of departmental spending are the big cuts going to come? The British people deserve to know this before they vote.

CHUKA UMUNNA:
They do deserve to know what each of the parties is going to do, but you are asking me to if you like spell out a budget …

ANDREW MARR:
(over) Roughly, roughly where the big cuts are going to come …

CHUKA UMUNNA:
(over) … when I don’t know what the 2015 budget is going to be. But, as I said, what we have seen here is a heartless and hopeless government. Hopeless because they fundamentally fail to meet their deficit and debt targets. And frankly heartless because they view ...

ANDREW MARR:
(over) Well we’re here to talk about your plans. I mean …

CHUKA UMUNNA:
(over) … a conception of the state that we have not seen since the 1930s, which involves pulling the rug from under people instead of empowering them to meet their dreams and aspirations.
ANDREW MARR:  
*(over)* So we come back to … I’m sorry, we come back to what you would do about the size of the state …

CHUKA UMUNNA:  
Well …

ANDREW MARR:  
… where you would pull it back – if at all – because most people think you won’t touch it at all?

CHUKA UMUNNA:  
*(over)* But actually … But, Andrew … Well, look, one of the things we have to do is get people’s wages up, and that way you can also reduce your deficit and that’s why we will introduce Make Work Pay contracts to help employers pay a living wage and also a national minimum wage. But …

ANDREW MARR:  
*(over)* But if you’re paying … if you’re paying more to people working in the public sector, you then have to borrow and spend more money to do it …

CHUKA UMUNNA:  
*(over)* But I think you … Andrew …

ANDREW MARR:  
*(over)* … so borrowing goes up.

CHUKA UMUNNA:  
Well, look, there’s nothing progressive or social democratic about not dealing with your debt and your deficit. I think it’s an outrage we spend more on our debt repayments than we do say on housing or transport.

ANDREW MARR:  
*(over)* Okay …
CHUKA UMUNNA:
(over) But, Andrew, let me just say this. You are talking about the size of the state.

ANDREW MARR:
I am.

CHUKA UMUNNA:
What actually matters is whether you’ve got a smart, efficient, enterprising state which is actually supporting people. And we’ve got very good examples of that in local government. Of course our Labour colleagues in local government are not allowed to run a deficit, but in spite of that they’ve been using the tools that they have at their disposal in an enterprising fashion. You look at Plymouth, for example …

ANDREW MARR:
(over) If … Sorry … I’m sorry, this is …

CHUKA UMUNNA:
(over) … Lambeth, all of these councils …

ANDREW MARR:
(over) … you’re going round and round in circles here because if your big idea …

CHUKA UMUNNA:
(over) I’m not going round in circles. I’m explaining to you how state works.

ANDREW MARR:
(over) … if your big idea is to raise wages …

CHUKA UMUNNA:
(over) Yes.

ANDREW MARR:
(over) … which I can see is a very powerful idea …
CHUKA UMUNNA:
(over) Yes.

ANDREW MARR:
(over) … and many of those wages will be public sector wages by definition, then the government has to pay those higher wages. And to pay those higher wages, it’s going to have to borrow more money, so the deficit goes up, not down.

CHUKA UMUNNA:
But I’ve already said to you, we are looking to get debt falling as a percentage of GDP by the end of the next parliament.

ANDREW MARR:
How?

CHUKA UMUNNA:
Well because you … First of all we are undoubtedly going to have to make some very tough decisions – I’ve been clear on that. You have to ask those who earn a lot of money to make more of a contribution, which we have in terms of … You’re only focusing on cuts. Also you will have tax increases, a bank bonus tax, putting the 45p back up to 50p, and also getting people to earn more. But, as I said, it is actually about whether you have a smart enterprising state supporting people to achieve their dreams and aspirations. And, frankly, you look in Leeds, for example, they’re brokering apprenticeships within the budget constraints …

ANDREW MARR:
(over) Could you see …

CHUKA UMUNNA:
(over) … you look in Plymouth, they’re building houses despite the …

ANDREW MARR:
(over) Could you see yourself raising VAT after the election?
CHUKA UMUNNA:
Well I’m not going to set out what our tax and spending plans are, but I think it’s …

ANDREW MARR:
(over) Could you see yourself cutting defence spending after the election?

CHUKA UMUNNA:
I think it is highly unlikely that you will see a Labour government introducing regressive measures like this failing government. And let’s not forget, by the way …

ANDREW MARR:
(over) What about cutting military spending? Could you see a Labour government doing that?

CHUKA UMUNNA:
(over) Well now we’re playing this game where you’re trying to get me to tell you what’s going to be in a Labour budget in 2015.

ANDREW MARR:
(over) But you’re saying we’re going to take … You’re saying we’re going to take tough decisions, but I’m not going to tell you what they are, and I’m just saying out there a lot of people want to know what the …

CHUKA UMUNNA:
(over) Well I have, I have.

ANDREW MARR:
No you haven’t.

CHUKA UMUNNA:
Yes I’ve already outlined child benefit, winter fuel allowance for rich pensioners. That might not be a big thing for you, but some of the people who are affected by that in my constituency in Streatham and beyond, that is actually quite an important thing.
ANDREW MARR:

(over) It’s a big … It’s not a big thing in overall numbers – the actual raw amount of money you get out of that. That’s what I’m talking about.

CHUKA UMUNNA:

Yes, but as I’ve been saying all the way through this interview, you’re absolutely focused on cuts. Fair enough. I’ve been clear that we’re going to have to reduce the deficit and that will involve tough decisions, but it also involves actually increasing people’s wages which is why we have said things like strengthening the minimum wage is going to be a big project of ours, getting more people actually earning a living wage. But, as I said, I do not think taking our country back to the 1930s as this government, as the Tories want to do is the way forward. I don’t think frankly taking us back to the 1950s, as certain comments from UKIP have shown in the last few weeks, I don’t think that’s the way either. What we want to do is actually move forward to the future.

ANDREW MARR

(over) Do you think the Labour … Do you think the Labour Party has been strong enough taking on UKIP? I mean you have been very outspoken. You have said they are a racist party - even if they’re talking mainly about Poles and not about black or Asian people, they’re a racist party, and the Labour Party has to take them on. Do you think your party has done its bit so far in taking on UKIP?

CHUKA UMUNNA:

Absolutely and I think we’ve got to be very clear. Look I want a firm and fair immigration policy and I think it’s very important we have controls, but I don’t think othering people and blaming a group of people over there – which at the moment are Eastern Europeans – is actually the way to go. I actually think that is a fundamental con and it lets politicians of all political persuasions who haven’t done the things they should have done over the decades off the hook.

ANDREW MARR:

Alright.
CHUKA UMUNNA:
And I don’t think actually it’s in keeping with our British values to seek to ‘other’ people and I’m not going to have any truck with it.

ANDREW MARR:
Chuka Umunna, thank you very much indeed for joining us this morning.

INTERVIEW ENDS