ANDREW MARR:
Lord Mandelson has been one of the most influential figures in the Labour Party and British politics more generally over the past thirty years, he knows a thing or two about recovering from election defeats of course, he masterminded the creation of new labour and Tony Blair’s progress to Downing Street and he went on to be a senior cabinet minister himself and a European Commissioner so how does he see the challenges ahead for his own party and indeed for the new government, well just on cue here he is, welcome to you.

LORD MANDELSON:
Good morning.

ANDREW MARR:
Good morning. Ed Miliband there has been a lot of kind words spoken about him over the past, the past few hours, what do you think of his record as a labour leader, where did he go wrong, where did he go right?
LORD MANDELSON:
Well let me first of all say if I may Andrew, I want to pay a tribute to Ed because he delivered a, a passionate and a professional performance during this campaign and I commiserate too with people like Ed Balls and Douglas Alexandra and other candidates who lost their seats and I hope they will come back. But let me say this too, the awful shocking thing about this election is that labour could have won it or at least, or at least come a very near second.

ANDREW MARR:
How could they have won it?

LORD MANDELSON:
The reason we lost it, well the reason we lost it and lost it so badly was because in 2010 we discarded new labour rather than revitalising it and reenergising it and making it relevant for the new times and new policy challenges that we faced.

ANDREW MARR:
But doesn’t it.

LORD MANDELSON:
And that was a terrible mistake.

ANDREW MARR:
But doesn’t that mean that the man to whom you pay such a forcing tribute just now was the wrong labour leader that they should have gone for the other brother?

LORD MANDELSON:
Well, in a sense we were sent off in 2010 on the sort of giant political experiment in which we were sort of sent out and told to sort of wave our fists you know angrily at the nasty Tories and wait for the public to realise how much they missed us, well they weren’t missing us and they didn’t miss us, instead they ripped the sort of stripes off our shoulders and that really is the, the depth of our defeat and the scale of the challenge we face, now look I was
there in the 1980’s and the early 90’s Andrew as the party’s campaign director. I think now that the scale of the sort of challenge we face and the need for rethinking and remodernisation of the party is akin to the sort of scale of challenge that we faced in the late 1980’s, that’s how serious it is.

ANDREW MARR:
So that is a terrible, terrible legacy for Ed Miliband’s leadership is it not?

LORD MANDELSON:
It is a measure of how far we have to go and what we have to do in order to climb back and far from embarking on a sort of you know short term beauty contest of leaders what we really need is a very very thorough debate in the party of the sort that was denied us in 2010.

ANDREW MARR:
It’s hard to kind of visualise sometimes the scale of change that needs to happen but I was stopped in the street just a couple of days ago by a guy who was a builder, a painter and decorator really, employed six people and he said I can’t possibly vote labour, they hate people like me, they hate wealth creators, they hate people who employ other people, is that the core of the problem do you think, that perception?

LORD MANDELSON:
The part of the core of the problem. I mean literally we were sent out and told to say things and to, and to make an argument, if you can call it an argument which basically said you know we’re for the poor, we hate the rich, ignoring completely the vast swathe of the population who exist in between I mean who do have values like ours, I mean they do like the Labour Party, they are committed to social justice and to fairness. And they do want a government like ours that leans heavily against inequalities in society but they also want a government that is economically competent and also realises that people have aspirations, they live in the real world, they want to better themselves and if we are not with them in that and not totally committed to seeing them doing that why on earth should they vote for us.
ANDREW MARR:
So what did you think when you heard that very famous predators versus producers speech?

LORD MANDELSON:
I thought it was a completely useless label that led nowhere in any serious debate both about the partnership that we need to have with business but also how business needs to change, we do need a reformed and more responsible capitalism in our country. I said that, I argued that when I was the business secretary. Of course we do, but shall I tell you something else, most people in business realise as well that we have to live for the, you know the long term not sort of short term financial interests and we have to think about how we’re going to embrace the new technologies that are available to us in order to drive up our productivity and our competitiveness, that is what the real world is about.

ANDREW MARR:
Was it a mistake not to acknowledge that in the last years of Gordon Brown administration the Labour Party was spending more than it should have done in power?

LORD MANDELSON:
Look, we based our level of spending on what we assumed would be continuing economic growth, that didn’t happen, we had a banking crisis.

ANDREW MARR:
So could not instead, with hindsight we wish we had done it better, we wish we had done it differently?

LORD MANDELSON:
OH I think we should have said that not every pound of public spending we made was at the end of the day holy wise or holy justified or whatever. But don’t make any mistake about this, labour over spending did not cause the banking crisis.

ANDREW MARR:
LORD MANDELSON:
And when the banking crisis came we had to borrow an enormous amount in order to put on sort of fuel in order to speed out of that crisis otherwise our economy would have shot over a cliff.

ANDREW MARR:
Now, you want a big philosophical debate about the Labour Party but the resource of a leadership contest already starting, what do you think about the current way that’s being done, one member one vote the involvement of many union members and so forth in that?

LORD MANDELSON:
Well we have new rules, I am assuming we have new rules which are broadly speaking based on one member one vote. There is also provision for something in the region of two and a half million political levy paying trade unionists who are being invited to declare themselves as labour supporters enrolled as affiliated supporters of the Labour Party without having to do anything else and then given a vote in this campaign, well in this contest, well what I say to that is that you know if we’re going to have people declaring that they are labour supporters in that way and given a vote then every single one of those individuals needs to be validated by the party staff and the party headquarters. WE cannot open ourselves up Andrew to the sort of abuse and inappropriate influence that the trade unions wade in with in our leadership election in 2010.

ANDREW MARR:
To be absolutely clear what you are worried about is trade union organisers and leaders fixing the leadership contest for the Labour Party by strong arming people or persuading people first to sign up and then to vote for a particular candidate.

LORD MANDELSON:
In 2010 the trade union machines or certain of them and basically Unite and Unison basically
put Ed Miliband’s photograph on their ballot papers and put his election material in the ballot envelopes, you know, no other candidate got a look in, now that is the sort of abuse by trade union machines, not by individual trade unionists but by trade union machines that we must guard against this time.

ANDREW MARR:
Do you think the time has come for the Labour Party to think about breaking the link with trade unions?

LORD MANDELSON:
I think it is incredibly unhealthy for us to be so dependent on trade union funding. So whilst I believe the trade unions have an important role both to play in society and politics and I want to see it continuing I am not happy with the Labour Party that is so clearly dependent on people who you know pay the piper and then in many cases can call the tune. That’s not a good look, it’s not right for a Labour Party appealing for votes in the twenty first century.

ANDREW MARR:
Very clear, Lord Mandelson for now thank you very much indeed.

END