ANDREW MARR:
I’m joined now by the Labour Leader Ed Miliband. Mr Miliband, you could be prime minister relatively soon depending on how the polls pan out. How would you deal with this jihadi threat? Do you think that the security services need more money and more resources to do their job?

ED MILIBAND:
Well I think we should always be looking at what measures are necessary to keep our citizens safe, Andrew, and I think all of us have been shocked and appalled by the events in France, by the murderous terrorism that this represents. I think we’ve been inspired by the response of the French people and indeed by the response of people across faiths, across communities in this country. And I think there are events that bring you up short, and this is one of them, when party differences suddenly look less important and what is important is maintaining and upholding that first duty of government, which is keeping our country safe. I think what we’ve got to do is three things. First of all, it’s about strong communities here at home because I think the best way of this terrorism being prevented is indeed people not being, if you like, infiltrated into this murderous ideology. Secondly, we’ve got to be vigilant. That means properly funding our security services. And, thirdly, of course it means engaging abroad because a lot of these problems are being imported into countries like France and the
ANDREW MARR:
What about fourthly, which is a very controversial point, which is whether we need more surveillance powers to track some of these people? Because there are allegedly, according to one paper, 150 known dangerous Jihadis at loose in Britain. It’s very, very expensive to track them and it’s much cheaper if you can follow everything they’re saying and doing. That has civil liberties implications though.

ED MILIBAND:
Well you know when we have events like the murder of Lee Rigby – and there was a very comprehensive report done on that and that suggests that there was internet conversation going on about the murder of a British soldier – I think it’s right to take a step back and look at this. But I think if you like we’ve got to look at both areas. We’ve got to look at do our intelligence services have the tools that they need, but equally do we have the proper oversight to guarantee the liberties of free citizens? Because, after all, one of the things we want to protect most of all here …

ANDREW MARR:
(over) That’s what we’re supposed to defend.

ED MILIBAND:
… is our freedoms. We’re defending our freedoms, so we should defend our freedoms also making sure that actually the security services have what’s necessary to make sure that we counter that threat and defend that freedom.

ANDREW MARR:
But if you were prime minister, you would be open to the possibility of more surveillance powers and open to the possibility of more funds for the security services?

ED MILIBAND:
Well I think we’ve got to be cautious and considered in these areas. We insisted when some emergency legislation was passed last summer that there was a proper review done by the Independent Reviewer of Terrorism, David Anderson. Let’s take a considered look at this.
Let’s take a considered look at what is necessary for the country to keep us safe and maintain our liberties. And again on the issue of the security services, we should always be looking at making sure they’ve got proper resources being deployed properly to actually counter the threat we face.

**ANDREW MARR:**
Now in the mood of cross-party harmony that we’re discussing here, you are going to be voting as the Labour Party for the government’s legislation on the deficit reduction programme. I’m right about that – in the House of Commons – yes?

**ED MILIBAND:**
We are, yeah.

**ANDREW MARR:**
And that implies a fiscal tightening either in tax cuts or in cuts in public spending of around £30 billion?

**ED MILIBAND:**
Well hang on a minute. Let’s talk about this vote and let’s talk about our approach. George Osborne used to say he wanted to balance the overall budget. We’ve always said what matters is to ensure that we match day to day spending with revenues. That’s been our approach – balancing the current budget. Now we think the way we do that …

**ANDREW MARR:**
Well they’re connected of course because you’ve also got all the debt payments building up in the future.

**ED MILIBAND:**
Yeah, but look the government has a very different plan from us. George Osborne is doing a gimmick next week in a vote. We’ve got a very …

**ANDREW MARR:**
*(over)* Which you’re taking part in.
ED MILIBAND:
Well we’ve got a very clear plan, we’ve got a very clear plan. We’ve got a plan to balance the current budget and get the national debt falling during the course of the next parliament, as soon as possible within the next parliament. And the way we’ll do that …

ANDREW MARR:
(over) And that requires a £30 billion fiscal tightening.

ED MILIBAND:
Well I don’t accept that. Let me ex…

ANDREW MARR:
Why not?

ED MILIBAND:
Well let me explain why. Because there’s three things that we need to do, Andrew. There’s commonsense spending reductions and that’s important. And …

ANDREW MARR:
Just explain to me why you don’t accept that figure …

ED MILIBAND:
(over) Well because …

ANDREW MARR:
… because I was told everybody agrees that that is the basic figure we’re talking about.

ED MILIBAND:
No because I’m going to … I’m going to explain. We’ve got common-sense spending reductions. And we’ve set some of those out, but we’ve said for the first time as a party that in departments outside the protected areas departmental spending will be falling. We’ve got tax changes that we’ve announced, including restoring the 50p tax rate. But crucially – and this is the difference between us and the government – you’ve also got to run your economy properly: higher wages, higher skills; not a low wage, low skill economy. Now why has
George Osborne missed his deficit targets? Not because he hasn’t made the cuts. He has made the cuts, but what’s happened is he hasn’t got the revenue in. So there’s a huge difference between us. And by the way, Andrew, just there’s a hu… There is a vote next week on Tuesday, but there’s a huge difference between us and the Conservatives. They want to go back to 1930s levels of public spending. They don’t just want to balance the books; they want to go a lot further. So there are huge differences. There’s a gim…

ANDREW MARR:
(over) I’m asking about your plans, not his.

ED MILIBAND:
There’s a gimmick next week from George Osborne, but frankly … frankly which is just another political game by George Osborne. We have a …

ANDREW MARR:
(over) Which you’re taking part in!

ED MILIBAND:
… but we have a clear plan to get the deficit down, to balance the books in the next parliament.

ANDREW MARR:
So you don’t think there needs to be a £30 billion fiscal tightening? That’s not going to have to happen?

ED MILIBAND:
Well I’m not going to pluck figures out of the air. My plan is clear.

ANDREW MARR:
It’s just all the official bodies – the OBR and everybody – that is the figure they settled on.

ED MILIBAND:
No my plan is clear, which is that we’ve got a current budget deficit which is running at about £60 billion at the moment, that we’ve said during the course of the parliament that that
will be eliminated down to zero. That’s a clear plan from …

**ANDREW MARR:**

*(over)* Which requires cuts or tax rises or both.

**ED MILIBAND:**

Well indeed, indeed, and we’ve annou… You know I think it’s really important to say this. Most Labour leaders go into elections saying we’re going to raise spending. “I’ve got great news”, they say, “we’re going to raise spending in every area.” I’m a Labour leader who’s going into an election saying, outside a small number of protected areas, departmental spending will be falling year on year until we balance the budget. I’ve also announced tax changes at the top of our society: a mansion tax on the most expensive homes, restoring the 50p tax rate. But crucially if we just try and cut our way to getting rid of this deficit, it won’t work.

**ANDREW MARR:**

*(over)* I’d like … I’d like to come to both sides of that – the spending and the tax raises. First of all, the taxes that you have announced so far, you’re absolutely right, but the monies from that go straight into different kinds of spending. For instance, the mansion tax is going to be spent on the NHS and so forth, so that doesn’t as itself deal with the deficit. In terms of dealing with the deficit – that really big, knotty problem – what proportion, roughly speaking, is going to be dealt with by tax rises and what proportion, very, very roughly speaking, by spending cuts?

**ED MILIBAND:**

Well I don’t think you can …

**ANDREW MARR:**

You used to say 50/50.

**ED MILIBAND:**

… I don’t think you can pluck a figure out of the air and I’ll tell you why. Because what we’ve learnt over the course of this parliament is that the government’s made the cuts, they’ve raised some taxes, and they’ve spectacularly failed on their deficit plan.
ANDREW MARR:

(over) You’re talking about the government again. I’m talking about …

ED MILIBAND:

(over) No, no, I’m talking about our plans.

ANDREW MARR:

(over) … I’m talking about another possible five years of a Labour government.

ED MILIBAND:

I’m talking about our plans for the next parliament because the crucial factor in this is do we raise the rate of economic growth and more particularly do we raise wages and skills? You see people used to say Ed Miliband’s talking about the cost of living crisis. That’s nothing to do with the deficit. It’s absolutely to do with the deficit because because this government hasn’t tackled the cost of living crisis, because we haven’t seen the higher wages, higher skills we need in our economy, we haven’t had the tax revenues in, we haven’t paid off the deficit. So we have a clear plan, which is the spending reductions I’ve talked about, the tax rises we’ve announced, but crucially running our economy in a different way.

ANDREW MARR:

You’re going to have to raise more taxes or make cuts that you haven’t talked about if you’re going to balance the books in the way that you have suggested. Are you going to cut welfare bills?

ED MILIBAND:

Well we have announced changes to welfare – so, for example, taking the winter fuel allowance away from the richest pensioners …

ANDREW MARR:

(over) That’s tiny compared with the overall …

ED MILIBAND:

(over) … child benefit one per cent. The best way we can cut the welfare bill – let me tell
you, give you an example. Raising the minimum wage – raising the minimum wage to £8 an hour, as we’ve committed to, more than average earnings during the course of the next parliament - that will cut the bills of social security failure…

ANDREW MARR:
(over) It will also cost you money because the government then has to pay these higher ta… salaries.

ED MILIBAND:
But actually, Andrew, it will save money - hundreds of millions of pounds saved on the welfare bill. Because at the moment we’re shelling out money in terms of propping up employers not paying higher wages. By raising the minimum wage, we can actually drive down the welfare bills. That’s just one of the ways in which we can keep welfare bills down and reduce the deficit.

ANDREW MARR:
But you won’t give us any idea this morning about the huge cuts that you will need in the welfare bill to deal with the deficit, actually where they will come?

ED MILIBAND:
Well I think I couldn’t have been clearer about it.

ANDREW MARR:
No, you could.

ED MILIBAND:
Getting young people … This government thinks that the way that you actually, the way you tack…

ANDREW MARR:
(over) Can you stop talking about this government? I do need to talk about you.

ED MILIBAND:
(over) Well no, I’m trying to … I’m drawing the contrasts in approach. They’ve said … Look
let’s take housing benefit as an example. They said look if we just … if we change all the housing benefit rules, this will actually cut the housing benefit bill. The housing benefit bill’s going up. Why? We’ve got a low wage economy, we’re not building homes in this country.

**ANDREW MARR:**
Alright.

**ED MILIBAND:**
Let’s build homes, let’s get our young people back to work, let’s tackle low play pay, let’s have a plan for working people because that’s right for the country and right for getting the deficit down.

**ANDREW MARR:**
Would you bring the cap over welfare spending down?

**ED MILIBAND:**
Well we’ve said we will have a cap on welfare spending, yes, and we were actually the first people to say …

**ANDREW MARR**
*(over)* Will you bring it down from the £26,000 per …

**ED MILIBAND:**
*(over)* Well, look, on the housing benefit issue …

**ANDREW MARR:**
*(over)* Yeah it’s the total per household I’m talking about.