ANDREW MARR:
Now then, local elections are looming and we’ve heard a lot about the battle for London. But these of course sprawl almost everywhere in the country and the opposition should be in chipper mood what with some real post-Budget embarrassments we’ve been talking about for the Prime Minister and a disastrous by-election in Bradford, however, lost to George Galloway and the Respect Party, which slightly pitches things badly. So pretty grim on the economic front as well if you look at the polling for the opposition. And the Opposition Leader Ed Miliband joins me now. Welcome.

ED MILIBAND:
Good to be with you.

ANDREW MARR:
You’ve just come back from Bradford where you promised to go and listen and take the temperature and talk to people. What did they tell you and what have you concluded?
ED MILIBAND:
I think that there were some local factors at play in Bradford. Labour’s been running the council for a short period actually, but there’s general unhappiness with the economic situation and that’s partly to do with the national government. There were some local factors to do with the fact that we didn’t really engage sufficiently with the Muslim community. Many of them voted for George Galloway. I think there are probably wider lessons about a sense that you know mainstream politics and a sense that somehow you know people don’t necessarily turn away from the Conservatives and turn to Labour, so we can’t assume that. So there are some lessons there. I mean …

ANDREW MARR:
I suppose the question is why because one of the things that George Galloway said afterwards, and Respect has said, is that there’s simply not enough kind of clear aggressive leadership by Labour when it comes to the big economic picture; that if Labour had been banging the drum for Keynesianism, you know really attacking the idea of austerity politics, you know pushing ahead for more investment, sounding if you like a little bit more Old Labour, it would have been heard more clearly in deprived communities in the North.

ED MILIBAND:
Well I don’t agree with that and I think you’ve got to look at the bigger picture because you know you characterised the situation in your introduction. I don’t quite see it that way. What I see is a government that had the benefit of the doubt for a significant period. I think they’ve lost that benefit of the doubt or are losing it because of the failure of their economic plan and now the unfairness piled on top of that. And you know the unfairness, which is let’s remember - we haven’t heard this today - but a cut in the 50p tax rate, a cut in taxes for millionaires funded by millions paying more, pensioners, and we’re going to have a vote on this in the House of Commons this week against the 50p tax cut and full restoring of tax allowances to pensioners. So we’ve seen unfairness from this budget. That’s why the wheels are coming off this government. And you know when I go round the country - and I’ve been from Carlisle to Southampton - what I hear and what I’m talking to people about is Labour’s different priorities - different priorities on taxation, different priorities about
cutting people’s energy bills by taking on some of the vested interests in our society. So you know your characterisation of Labour’s position isn’t one I would share. Of course Bradford was a bad result - I make no bones about that, we’ve got to learn the lessons - but what I actually see is a Labour Party that is getting back in touch with people and a government that is out of touch with people, and it’s increasingly apparent that they are.

ANDREW MARR:
One of the arguments going on after the Bradford result was that there was a gulf opening up between huge numbers of people in this country and the political world generally. A lot of people just sort of see you as being all a bit the same and when it comes to stories like for instance donors you know being caught offering access, cash for access and so on, that just kind of turns people’s stomachs. There’s a sort of sense that up in Westminster they don’t get it. They’re all you know getting huge amounts of money.

ED MILIBAND:
Yeah.

ANDREW MARR:
The party donorship thing has to be dealt with. The party funding issue can’t be put off for much longer.

ED MILIBAND:
You’re right, we’ve got to change the way we fund politics and we’ve got to take the big money out of politics, and I think we need big and significant change in this. Why do I say that? Because you’re right to say people … Look when people don’t vote for the mainstream parties, it’s because they believe that politics can’t change my life, I’m going to protest. And why do people think that? Part of the reason they think that is that politics is not being run in their interest. Some of it is unfair, but it’s being run in the interest of those at the top - a few people who can afford to give money. We’ve got to have big change, you’re absolutely right about that.

ANDREW MARR:
Well I’ve been hearing people saying we’re going to have big change in party funding
for the last twenty years and nothing has quite moved, so …

ED MILIBAND:
Well I’m determined to move on this, Andrew. And you know it’s going to be uncomfortable. All political leaders will have to make decisions that are uncomfortable for them, and here are my proposals. First of all, we’ve got to have a low cap on donations. Not the £50,000 that the Prime Minister talks about. £50,000 is double the average wage. I say a £5,000 donation cap, a proper low donation cap. Secondly, we’ve got to have much tougher limits on spending - more comprehensive limits on spending and lower limits on spending. And, thirdly, parties are going to have to diversify where they get their income from - much more small donations. I’m proud of what the Labour Party does in terms of raising money from its members and I think we do more than any other political party, but we’ve got to do a lot more. And so, look, I want to see big change in this and you know I think we have …

ANDREW MARR:
(over) So these sound like changes that would damage Conservative funding much more than they’d damage Labour funding unless you’re suggesting that the big union cheques are going to stop too.

ED MILIBAND:
I am.

ANDREW MARR:
You are?

ED MILIBAND:
I am suggesting that. Look, you know, as I say, all political leaders are going to have to make difficult decisions in this. When I talk about a £5,000 donation cap, it’s got to apply to donations from the trade unions. Of course …

ANDREW MARR:
So instead of taking millions of pounds from Unite, you’ll take £5,000?
ED MILIBAND:
Well what I say is this - that the large donations from the trade unions would no longer happen under this system. It does need to be a comprehensive reform by the way that we would need. I’m not making a unilateral act here, but I am proposing this. Now the other thing that we get from trade unions is the £3 that each individual trade union levy payer pays, people who affiliate to the Labour Party, three million people around this country - nurses, shop workers, engineers. Now that of course …

ANDREW MARR:
(over) Sorry, just to make things clear to people.

ED MILIBAND:
Yeah.

ANDREW MARR:
There are two different kinds of funds …

ED MILIBAND:
(over) Exactly.

ANDREW MARR:
… that you get from trade unions. One is sort of one-off cheques around election time from Len McCluskey or whoever it might be, there you go …

ED MILIBAND:
(over) Exactly.

ANDREW MARR:
… and that’s where you’re proposing the cap would … So that would be way down to … How much sort of money did you get from the …

ED MILIBAND:
(over) Well we get millions of pounds from that …

ANDREW MARR:
Okay, so that goes.

ED MILIBAND:
(over) … so this is a big change that I’m proposing.

ANDREW MARR:
But you want to keep the individual opt-in - or opt-out rather - system whereby individuals in trade unions pay money?

ED MILIBAND:
Yeah, and let me explain why. Because look at a time when people say politics is too detached from working people, I value the link with the Trade Union Movement. That link stays and I believe in that link. And one of the reasons I believe in that link is because of the link it provides us to working people around this country. It’s not just that working people founded the Labour Party. It’s that they keep us rooted in our communities now, and I don’t want them disenfranchised. So they continue to be part of this process, but the large donations under this reform (if it’s agreed and we need a low cap and all these other changes) then they would stop.

ANDREW MARR:
If your proposal was agreed now, what would it have done to your overall funding at the last election? You must know roughly …

ED MILIBAND:
(over) Well it would make …

ANDREW MARR:
(over) In terms of proportion.

ED MILIBAND:
(over) … you know we’d have lost some millions of pounds. It would have been quite significant. I mean …

ANDREW MARR:
Thirty per cent, forty per cent?

ED MILIBAND:
Well just looking at the last year, just looking at the last year - and it’s important as a corrective to this, to some of what’s out there - 40 per cent of our income came from our members and about 40 per cent came from the trade unions and the rest from individual donors and others. So you know we’re talking about significant, we’re talking about a significant change here.

ANDREW MARR:
When it comes to the individuals that you were talking about - the nurses and so on - paying through the political levy, you could make it a lot more transparent and remove a lot of the criticism if people had to opt in, actually specifically say I want to pay this levy, and then it would be coming directly from them and it wouldn’t be coming from trade union leaders.

ED MILIBAND:
Well there’s two different things that you said there - one about transparency and one about opting in and opting out.

ANDREW MARR:
Yuh.

ED MILIBAND:
Actually I think the opting in and opting out is actually not the issue. I think it’s a rather sort of simplistic question. The real question is, is it clear where the money is going? And I’m quite happy to say that is important. Of course people should know where their money is going and no doubt that will be looked at as part of these changes. But you know let’s take the big money out of politics. Now I hope that Nick Clegg and David Cameron will come forward with their own proposals, which say look we’re willing to take a bit of pain too, we’re willing to make changes which will actually … you know it will make things harder for our political party, but it’s in the interests of our democracy because you know politics is at a low ebb, let’s be frank about it. You know people … trust in politics is perhaps lower than it’s been for a
generation. When I go round the country and I say to people - I often say this - look the most depressing thing on the doorstep is not when people say, “I’m voting Tory or Lib Dem.” Of course that’s depressing. It's much more depressing when people say “You’re all the same” …

ANDREW MARR:
(over) When they say “We’re not going to vote at all.” Yuh.

ED MILIBAND:
(over) “You all break your promises”, and we’ve got to take action to change this.

ANDREW MARR:
So just to be clear. In terms of how people sign up for the political levy or don’t sign up - because people say that you kind of benefit from sort of laziness and forgetfulness and so on - you’re absolutely against people being able to opt in; say actually do you know what, I would like to spend a little bit of money on the Labour Party?

ED MILIBAND:
Well I don’t think that’s the issue, you see.

ANDREW MARR:
Why not?

ED MILIBAND:
Well because the issue really is whether it's transparent where people’s money is going. That’s what matters. And I am in favour of transparency and that does have to be looked at. But I do say this. You know what we mustn’t have in this is an attempt to disenfranchise, to exclude millions of people from the political process. At a time when I’m saying and no doubt others will say let’s have more small donations, to say well, look, let’s exclude this whole set of people who are affiliated to the Labour Party would be the wrong thing, in my view.

ANDREW MARR:
Okay.

**ED MILIBAND:**
So transparency, yes; but exclusion of people, no.

**ANDREW MARR:**
Alright. And just some sense of what the size of the national cap on spending should be.

**ED MILIBAND:**
Well I think it’s currently towards 20 million, 18/19 million …

**ANDREW MARR:**
(over) Per party.

**ED MILIBAND:**
… over the course of a General Election. I think that’s too high. This is a matter for negotiations, but I think it should be substantially less.

**ANDREW MARR:**
Okay.

**ED MILIBAND:**
Let me make this point. *(Marr tries to interject)* If parties don’t need to spend … If parties can’t spend the money, then they’re going to be less likely to try and raise money. I do say …

**ANDREW MARR:**
And you’re not for extra public money going to parties?

**ED MILIBAND:**
Well let me say this. In the current economic circumstances, I don’t think that’s practical, but what I think needs to be done in the negotiations, here’s the priority for the negotiations. Let’s look at the existing money that is spent on politics because there is some money already spent on politics to help political parties. Let’s look at
how we can encourage small donations and let’s have that low spending cap.

**ANDREW MARR:**
Okay, those are your principles. Alright.

**ED MILIBAND:**
And obviously the negotiations will take their course, but let’s make a concerted effort now to really grasp this nettle. I don’t know how quickly we can get this reform because it’s taken a long time to get to this stage, but let’s try and get the reforms moving.

**ANDREW MARR:**
Yes. Let’s turn to some of these elections coming up and elections beyond that. Is it the case that you are trying to ban Labour MPs from resigning their seats in order to become mayors of cities or stand as police commissioners?

**ED MILIBAND:**
People have got away ahead of themselves on this. Look, let me explain the facts here. The national executive of the Labour Party always goes through a process whereby when people want to fight by-elections, they sign that off. Now we don’t know where there are going to be mayors yet because we haven’t had the referenda, and so, look, the speculation is totally overdone.

**ANDREW MARR:**
But if people like Gisela Stuart or whoever wanted to stand for something and that would have caused a by-election, which could be embarrassing or not, you wouldn’t stop them standing?

**ED MILIBAND:**
Well, look, we’ve fought six by-elections since I became Leader. We’ve won five of them. I think I’ve won more by-elections than David Cameron won in the whole of the last parliament. I’ll fight any by-election that comes along and I’m confident of winning it.
ANDREW MARR:
Isn’t it a worry for you though that people like Liam Byrne, for instance, a senior Lib-Dem, seems to think that life outside Westminster running a big city might be more attractive than staying in the struggle inside?

ED MILIBAND:
No, I don’t see it that way. He’s very attached to Birmingham, he believes in Birmingham, and he believes that Birmingham can be a laboratory for and show you know how Labour can make a difference in government. And I do say that going round the country, Andrew. I see Labour councils showing what I’m talking about nationally - fairness in tough times; how with different priorities, we can make a difference to the country. You know I was in Derby recently where we’re trying to get control of the council. What have they managed to do in Derby? Even from opposition, they’ve managed to say we’re going to keep open the children’s centres and the care homes. That’s a pledge they’re now making in those local elections. So you know what I see is actually a Labour Party which is fighting these local elections hard and fighting them well and showing we have different priorities from this government. And I think that’s where politics is moving to - a sense that this government is out of touch with people’s priorities and it’s a Labour Party back in touch. Suffered a bad General Election defeat, but coming back in touch with people.

ANDREW MARR:
There will be a very interesting test of all of that in the local elections. You have to win London, don’t you?

ED MILIBAND:
Well obviously we want to win everywhere and that …

ANDREW MARR:
*(over)* No, I’m not saying want to. I mean really to show that you’re coming back, you’ve got to win in London.

ED MILIBAND:
Well what I say about this is what matters is for the people of London, and that’s why I’ve been campaigning with Ken Livingstone, that’s why I hope Labour wins in
London because whether it comes to public transport fares where he wants to cut them and Boris Johnson has raised them, or the Educational Maintenance Allowance or fair rent …

**ANDREW MARR:**

*(over)* But London has always been so-called Labour city. You really ought to win London this time, shouldn’t you?

**ED MILIBAND:**

Well, look, we’re doing our best throughout the country to win. But, look, if you want to anticipate what the results are, let’s see where we are after the May elections.

**ANDREW MARR:**

Yes.

**ED MILIBAND:**

But, as I say, we’re fighting hard right across the country.

**ANDREW MARR:**

So what would the signal be if you didn’t win London, if Boris was back again?

**ED MILIBAND:**

Well I think I just gave you the answer, which is you know …

**ANDREW MARR:**

*(over)* Alright, wait and see.

**ED MILIBAND:**

Yeah wait and see.

**ANDREW MARR:**

Okay, what about the overall national picture because there have been indications from the Labour side that you know if you took three hundred seats, that would be enough, but almost all the independent commentators say you need to have six, seven hundred victories at least notched in your belt on the following morning to say
actually we’re back in the game?

**ED MILIBAND:**

Look, I say this sort of in all circumstances. I’m not a commentator, I’m not in the forecasting business. I’m in the business of making a difference to people’s lives. And you know as I go round the country very few people ask me what’s your expectation about the number of seats Labour’s going to gain. What people ask me about is what are you going to do to get my son or daughter a job? And I say we’re going to levy a tax on the bankers’ bonuses to put young people back to work. And you know I do say this about politics. If we want a politics more in touch, that’s more relevant, let’s talk about the issues that matter to people, let’s talk about how we can make a difference to people’s lives rather than Westminster commentary.

**ANDREW MARR:**

One of the pieces of Westminster commentary we’ve heard a lot of recently but it relates to the sense that people feel that the political class are different is this debate about whether tax returns should be made public.

**ED MILIBAND:**

Yeah.

**ANDREW MARR:**

We’ve seen it in the London mayoral election, we’ve seen it now bleeding over into Westminster politics with both the Prime Minister and the Chancellor, indicating that perhaps they would be prepared to make their own tax returns public.

**ED MILIBAND:**

Fine.

**ANDREW MARR:**

What’s your view about that?

**ED MILIBAND:**
Fine, I’m perfectly happy … I’m perfectly …

ANDREW MARR:
Do you think it’s a good … Is this a good thing in public life?

ED MILIBAND:
I sort of think it’s kind of inevitable and it’s going to come.

ANDREW MARR:
Do you?

ED MILIBAND:
I do. I think it’s inevitable and it’s going to come. Look, I challenged George Osborne and David Cameron on the day of the Budget and I said to them, “Do you benefit from the 50p tax rate?” And I thought a lot about this, whether it was fair enough to do it - the 50p tax cut. And the reason I did it was I think if you’re coming along with a budget which raises taxes on pensioners, raises taxes on working families, raises taxes (now we know) effectively on charities, and you’re personally getting a benefit that only a few people are getting - only the richest people in society - I think it’s a fair enough legitimate question.

ANDREW MARR:
So next …

ED MILIBAND:
(over) Now I didn’t call for the tax return to be published, but look if that’s the way things are going, I’m perfectly happy, I’m perfectly happy to do it.

ANDREW MARR:
But you need to be a bit more proactive if things are going to be moving. If the shadow cabinet is sitting around, are you going to say them, “Listen guys, I think the time has come. Let’s all put our tax returns out”?

ED MILIBAND:
Well that’s a discussion that we’ll have. To be fair to my colleagues, I’ll have a discussion with them about that. But, look, I say this. I think what really matters in this … I’ve said I’m not going to be a beneficiary of the 50p tax rate cut. We don’t still know whether the Chancellor and the Prime Minister are. You know before we even get onto the question of tax returns, let’s have some transparency about that. But look …

**ANDREW MARR:**
*(over)* What about assets? What about people’s overall wealth?

**ED MILIBAND:**
Well, look, this is the problem with it - is that in the end you can get to a situation of you know then medical history, then medical records, then you know fitness tests. I mean, look, there’s got to be some limits to this. I’m just saying speaking for me personally, I’m very happy to publish my tax return, you know all the details of that.

**ANDREW MARR:**
And spouses. I mean there’s been a great discussion about Nick Clegg’s wife.

**ED MILIBAND:**
Yeah, I think we … Well I think Nick Clegg’s wife should have some privacy.

**ANDREW MARR:**
*(over)* So you think the spouses would be going too far?

**ED MILIBAND:**
I do think it would be going too far, yeah. Look, you’ve got to draw some limits to this, you’ve got to draw some limits to this.

**ANDREW MARR:**
Alright, very interesting. Ed Miliband, thank you very much indeed for joining us.

**INTERVIEW ENDS**