JOHN McDonnell, Shadow Chancellor

AM: Welcome to you, Mr McDonnell. Now looking at the polls, we know about polls and so forth, but it seems overwhelmingly likely at this stage that Jeremy Corbyn will win. If that happens how do you start to rebuild relationships who’ve been so badly damaged in the party? What happens next?

JM: Well I don’t trust any polls at all and we shouldn’t do, so this isn’t a foregone conclusion. We’ll have a proper democratic debate, it will be a political debate, not on personalities and as a result of that debate we’ll come to a democratic decision. And I believe that our members will expect the Parliamentary Labour Party – members of the Parliamentary Labour Party are good people. They came into politics, like me, to change the world and I believe they’re democrats. They’ll respect that decision, but during the leadership process from the Shadow Cabinet we’ve also proposed, and this is one of Andy Burnham’s proposals, which we all agreed on, that what we should do is do some mediated negotiations between the Parliamentary Labour Party, the NEC and others, so we use the leadership contest to discuss the issues, but also we use it to – well heal some of the wounds and bring us together.

AM: Do you think that you and Jeremy Corbyn have made some mistakes in your leadership period –
JM: Yes.
AM: And do you think that after this process you’re going to have to do things differently?
JM: Of yes, of course we’ve made mistakes, yes. I’m the first to admit that. Me more than Jeremy I think. That’s why we’ve said if we have this mediator negotiation, we offered it before, let’s try again. Tell us what we’ve done wrong, where you think we could
be better, where you think collectively we could be better and on that basis I think we could go forward. The vast bulk of the Parliamentary Labour Party just want to get on with the job. We’ve got a responsibility on our shoulders because this country is facing real challenges now.

AM: And yet, day after day there are some terrible stories of inside the Labour Party – the latest one a former close colleague of yours, Seema Malhotra, had her office broken into, she feels, by a member of either your staff or Jeremy Corbyn’s staff. What is going on?

JM: Seema is a friend. I asked Jeremy to appoint her because I think she’s really talented. She’s someone will build a foundation –

AM: She’s still a friend?

JM: Yes, she is. But let me just explain what happened over that, because I find this really distressing. Seema resigned unfortunately a month ago. A month later we thought she had moved out of her office. My office manager, who manages the whole Treasury team accommodation and staffing and has its key to all our rooms went along, saw boxes outside of her office, thought she’d moved, knocked on the door, never heard anything, went in. Then went back the next morning, did the same thing. Members of Seema’s staff were there, she apologised and that was it. Let me just finish this, Andrew, because this is extremely serious. I’ve now got a member of staff - I’ll describe her to you. She’s a widow with daughters, this is their sole income. She’s now –

AM: This is the woman who went into Seema Malhotra’s office?

JM: That’s right. She’s one of the pleasantest, most helpful people I’ve come across. She’s now worried she’s going to lose her job and face prosecution, because it’s been described as a break-in.
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That’s just so distressing. It’s unacceptable. Now what I’m saying on – I didn’t even know from Seema. I didn’t – Seema didn’t contact me before she wrote to the Speaker. I got a copy of an email late on Friday night, no phone call, nothing, then yesterday my office contacted her and said, look, this has obviously been an error, we – a month after standing down we thought she’d moved out. The boxes were outside.

AM: And she says her staff felt upset, distressed, harassed, insecure.

JM: Okay, her staff invited my office manager out for drinks and a meal this week. One of them is an intern, brought her parents to meet her. I don’t know what’s going on/

AM: So what is going on?

JM: I don’t know. Look, I don’t know.

AM: Given that there’s been distress, great distress, clearly caused on both sides, do you think you should at least apologise to Seema Malhotra for what happened?

JM: Of course. If there was a mistake made here my – my office manager already apologised. She apologised to the staff when she went in, thought they’d moved out. Look, we’ve got to stop this. What camera am I on? Am I on this camera? Let me just say straight - look let me just say this to Labour Party supporters, Labour members, members of the Parliamentary Labour Party. We’ve got to stop this now. People – there’s a small group out there that are willing to destroy our party just to remove Jeremy Corbyn. We’ve got to stop them. We’ve got to unite and if you want to come for me and Jeremy Corbyn that’s up to you, but don’t pick on staff who can’t defend themselves. In addition to
that, last week Save Labour were talking about splitting the party. I want Owen and Jeremy and everyone to say let’s stop this now.

AM: Hold on. Can I join in on this?

JM: Well I’m sorry, Andrew. I think this is so serious.

AM: Can I join in? But you’re suggesting there again that it’s all the other side doing it.

JM: No, I’m not. I’m not.

AM: 44 female Labour MPs have written to the leadership saying that they feel they have been intimidated and treated badly. That is a very, very serious thing and it can’t all be their fault.

JM: No, I’m not saying it’s their fault at all. What we’re saying is if there is intimidation out there we’ve got to stop it. Jeremy Corbyn, time and time again has denounced people for any forms of abuse, he’s brought in procedures to tackle that and we’ve said we’ve got to be severe about this – that’s why if anyone’s perpetrating abuse they should be kicked out the party.

AM: Okay. Let’s turn to policy now. A very important policy was announced by Jeremy Corbyn this week about big Pharma, Pfizer and the other big chemical companies, pharmaceutical companies and he said that no longer should drug research be farmed out, in his phrase, to them, it should be done by the Medical Research Council inside the NHS. Can you explain more about how this is going to work?

JM: What happened, he was asked a question at a launch of one of his programmes and he was arguing that research in this country, not just pharmaceutical research but right the way across
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the piece should be better managed and more effective. So when it came to pharmaceutical research it should be properly – better managed and better supported. In fact we should be increasing our resources on to it. I’ve been running an exercise in looking at tax reliefs – in fact Seema was involved in it - where we’re saying in terms of tax reliefs, particularly the patent blocks, we’re following the IFS for advice, and one of our economic advisors, Mariana Mazzucato, saying actually these tax reliefs are not being used effectively and they should be used more effectively so we increase levels of research and that will be done within the NHS and by pharmaceutical companies.

AM: What he actually said was, and I’ll read this directly: ‘Medical research shouldn’t be farmed out to big pharmaceutical companies like Pfizer and others, but should be funded through the Medical Research Council as a way of developing these drugs.’ I put it to you that is a completely impossible ambition financially. You accept that?

JM: Well – of course – you interpret it as though it’s taking money away from the companies. Actually, it’s not. It’s saying you manage it more effectively so it’s better used and that goes along with both the investment -

AM: But that’s not what he said. He said that the Medical Research Council do that. They have a budget of less than a billion pounds, it costs well over a billion pounds to bring one single drug to market.

JM: He’s looking through the Medical Research Council to see how that money is then managed and that will mean private companies undertaking that research as well.

AM: So he misspoke there?
JM: No, I don’t think he misspoke, I think he’s been misinterpreted. But let me say this to you. We’re looking at every aspect of research, not just on pharmaceuticals, right the way across the piece. There’s over a hundred billion tax reliefs now going into private companies and we discover even the Treasury does not assess half of those reliefs effectively. So we’re trying to say, how do we manage that money better to get more R&D and more scientific research.

AM: So tax reliefs are a very, very big issue but in terms of the pharmaceutical… it’s about £200 million goes on tax relief. Nothing like enough to refund the Medical Research Council to do their job for them and these are drugs which are saving women with breast cancer. I mean they’re really really important.

JM: Of course and you want to increase that and you want to make it more effective but it has to be managed better. And that is a way in which you ensure the resources going to research and development effectively of course through private companies and of course through the NHS.

AM: But you yourself have said in the past you would like to take these companies into public ownership. And again I’ve got a quote here. You said, and you were talking to the Alliance for Workers’ Liberty and you said, ‘let’s look at certain sectors of the industrial sector, see whether or not we should be pursuing a new policy of public ownership. Management of the company by the workers themselves and by directly elected representatives of local communities, I will use the example,’ you say, ‘of the pharmaceutical industry.’ Would you like to take those companies into public ownership?

JM: I’ve always argued I’d like to see a public stake within the pharmaceutical industry, so in that way we could bring down the price of drugs and in that way people could get better research
and more treatment. Let me just say also, in terms of workers’ control and workers’ involvement I’m really pleased Theresa May now has come out in favour of the policy of putting workers on the board. What a success for us.

AM: It’s a little different from workers’ control I think. We’ll see.

JM: Well, we’ll see. We’ll see how she paints that through.

AM; But the reason I ask you about this is I put it to you that you are not – I mean in the end there are two kinds of socialism. There’s the parliamentary road to socialism which basically says, capitalism is a fantastically powerful and energetic thing, we milk it for taxes but we support it. And there’s the other system of socialism which says no, capitalism is in the end, it’s an evil and we have to overthrow it and replace it by socialist economy. And I put it to you, you are in the second category, not the first.

JM: If you look at the history of the Labour party which I’m central to, it is about saying that we have a mixed economy in which we manage in the interests of all and that will be a combination of some services provided by the public sector and some by the private sector and you make sure you get the right mix so that your economy is not just prosperous but also it’s democratically controlled as well.

AM: So you have said also in fact in the same interview you said that your main political influences were Marx, perhaps not surprising, but then Lenin and Trotsky. What have you learned from Lenin and Trotsky?

JM: Well, I’ve learnt just what a bureaucracy, a mistaken bureaucracy can do and how you have to control a bureaucracy democratically. And that’s the analysis and that’s the failures of some of those systems that were developed by them as well. You
look at the history, you look at the history of socialism in this country, it draws upon a vast range of philosophers and ideologists and I’m in the mainstream of that. I’m in the stream of Attlee, Harold Wilson.

AM: You’re not, you’re well on the left. You’re on the quasi Trotskyist part of the –

JM: I’m sorry, if you look at where Attlee came from and if you look where even Harold Wilson who I praised.

AM: Attlee was not a Trot, nor was Harold Wilson.

JM: No, he wasn’t, no he wasn’t. He was on the left of the Labour Party and constructed our welfare state. That’s where I stand.

AM: You have said that you regard the Labour Party as a tactic and a vehicle to leave when it’s no longer useful. Isn’t that why people say that you part of what is the famous kind of entryist strategy?

JM: I have never said the Labour Party is a vehicle to leave when no longer useful. Someone engaged in a debate as though the Labour Party was a religion, I said no. It’s a vehicle in which we use to achieve socialism.

AM: So this is the quote that was in the Sunday Times in March and you didn’t deny it then, but maybe it is wrong. You said, according to them: ‘I’m not in the Labour Party because I’m a believer in the Labour Party as some supreme body or something God-given or anything like that,’ which sounds like you. ‘It’s a tactic. It’s as simple as that. If it’s no longer a useful vehicle, move on.’
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JM: Yes. I was trying to argue is that the Labour Party as it now stands –

AM: So that is a fair quote?

JM: No, what I’m saying is I was arguing the Labour Party as it now stands, if we need to reform it we should, and basically my argument is that we rebuild the Labour Party as a social movement and that’s what we’re doing. Half a million members campaigning in their communities, winning elections to local councils, mayoral elections and eventually parliament. And in that way, in that way you transform society.

AM: But because you say, if it’s no longer a useful vehicle, move on, that is why somebody like Angela Smith, the Labour MP says, ‘it’s quite clear from the comments he is following,’ that’s you, ‘broadly an entryist Trotskyist agenda which is incompatible with Labour balance.’ Well organisations like Alliance for Workers’ Liberty, which I know very well. I’ve sold their newspaper a long time ago, I know whereof I speak.

JM: I speak to lots of organisations. I’ve just spoken to the Christian Socialist Movement. I’ve just spoken to the CBI last week. I appear on platforms and argue the case.

AM: But they are an avowedly Trotskyist organisation and they’re now telling their members to quote: ‘flood into the Labour Party.’ So are the Communists. So are the SWP. So are many other far left groups.

AM: And every one of them will be vetted and we have a vetting system –

AM: Do you welcome them?

JM: Well, we work on the basis if we can convert people into the Labour Party so much the better, but if they’re coming in for an
entryist tactic, from right or left, we have a vetting system which is extremely strict and will prevent people coming in. And that's working, it’s operating now.

AM: Assuming you win, and I’ll assume it at the end of this summer campaign, you will be left in a sense in the same position where you have a leader supported by hundreds of thousands of ordinary party members, because of his values and what he stands for and a large number of MPs who completely disagree with him, and don’t trust him and don’t want to serve under him. And you have to reconcile that. If you are one of those people who went to Jeremy Corbyn rallies yesterday or today or whenever and really want to change society and believe he is the guy and you are the people to do it, don’t you have to do something about these MPs? Why should they have MPs in their constituencies who don’t support what Jeremy Corbyn and you stand for?

JM: I think you underestimate the Parliamentary Labour Party. The vast bulk of the Parliamentary Labour Party, as I said earlier, just want to get on with the job.

AM: Well the vast number say there’s no confidence in Jeremy Corbyn.

JM: Well they will respect the democratic mandate that whoever is leader at the end of this election, and I will as well, but whoever is elected we’ll respect their mandate and people will work together. Why? Because we’re faced with severe economic problems and social problems in our society created by who? A Tory government. We will oppose that Tory government and we’ll win the next election. That’s the responsibility that not just individual MPs bare, but also every member of the party.
AM: Your critics think you can’t win that election. If they’re proved right and you do badly in that election and don’t win it, will both of you resign?

JM: That would be inevitable, wouldn’t it?

AM: It would be inevitable if you lose.

JM: Of course it would. Every Labour leader who loses an election usually goes, but let’s look at our electoral practice so far. Won every by-election, increased our majority, won every Mayoral election, matched Ed Miliband’s local government election, at the highest they possibly could. All the electoral practice so far we’ve been successful on. That’s why I can’t understand some of the criticisms that have levelled against Jeremy.

Ends