

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

A warning. No, not about swearing, although that might happen anyway. It's to say that this podcast, which is normally about 30 minutes, might be a little bit longer this time round because, frankly, there is just so much to talk about. We're here at the Labour Party conference. You can probably hear the hubbub. But also, what's unfolded in the Middle East is pretty epic and horrifying.

If you're walking a dog, your dog will love you for this episode. It might just be another 10 minutes of yapping around the park. If you're on your cardio machine at the gym, go a tiny bit slower for a tiny bit longer. We just want to do justice to what happened in Israel over the weekend and to what's happening here in Liverpool at the Labour Party conference on what could end up being their last conference before a general election.

And we'll be talking to the Shadow Chancellor, Rachel Reeves. Welcome to the News Agents. The News Agents.

It's John.

It's Emily.

It's Lewis. And we have just come out of the hall, which was rammed. Standing room only, stewards trying to keep the crowds under control. And it was immense. And this was for Rachel Reeves' speech as Shadow Chancellor. And there was a buzz in the room.

And I think it's quite a good job that we split up, because the mistake we made last week was we were all in the hall for Penny Mordent. And hands up, we didn't realise until sort of later. Quite how mad some of that speech did sound. I mean, when we sort of heard it repeated.

John was quite inspired, as I recall. I wanted to start a fight with everybody. When I fight, you fight.

John was spellbound. I mean, what are we saying? But I think it's a good job that we split up for this, because I would say that in the hall, you know, and there is a risk of what I'm going to call Mooney Wedding Syndrome, where you just, you get slightly caught in the spell of it. People were standing because they couldn't get seats. And people were standing because they were giving standing ovations. And people were clapping and cheering. And honestly, it looked frankly like she'd just become the first female president of the US. She hasn't. They know that. And I think the people at home, well, I'm going to say the people at home probably didn't even know she was making a speech. But Lewis, you watched it.

Well, I was doing the event sort of early in the day, so I couldn't get in. So I just watched it on the screen. Look, there is no doubt. Rachel Reeves, as a political kind of player, has come a long way. Like when she was initially scammed into politics in 2010, she was known as being, I think it's, you know, I don't want to be unfair to her, but I think she was known as being a little leaden, wooden, not necessarily confident. She is a political figure transformed. I mean, that was a barnstorm of a speech by any stretch of the imagination.

And I think the crucial thing about it is, and I think that, I mean, there are already people talking about, oh, this wasn't just a shadow chancellor speech. This is a speech of someone who might want to lead the Labour Party one day. There was that line she kept referring to, ready to lead, ready to lead. I don't think that was her intention. But

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

I think it achieved two things. One is it sent out a clear critique. It was clear they used that line, we are going to fight them on the economy, and the Labour Party is going to fight them on the economy.

But also, I think the thing that everyone is kind of missing about Labour Party economic policy at the moment is it's actually quite radical. That was not a speech that Jeremy Hunt would have delivered over the last week or anything like that. She is talking about a qualitative difference, not only with the Conservative Party, but also a massive difference with the last time the Labour Party was in government. What was that line she used? Globalisation as we knew it is dead.

The end of Tony Blair's vision, basically.

This is the era of what she is calling secureconomics, the on-shoring of supply chains, the subsidy of domestic industry. This is, again, Sunak and Hunt are adopting something of an outlier approach, which is to instill on a more liberal economic basis in terms of how we approach questions of trade, subsidy and so on. It was still a bit of that, but by comparison to Europe and the US. Actually, the truth is, is that the Labour Party economic policy on that score is actually considerably more radical than it would appear, which actually for talking to Labour Party people, for them that's a win. They basically get it on both ends.

Look, in a perfect world, they would be offering something that looked very similar in practice to Biden's Inflation Reduction Act. They want to try and harness the sense of protecting jobs at home, reshoring work to Britain, but also having this vision of a brand-new green economy. They can't spend what Biden's spent yet, and I think that is going to be the area of difficulty, which is why they're talking about bringing in private investment at £3 to every £1 that they spend to make it look like they're not actually spending taxpayers' money. The other thing I'd say, just in terms of tone, is they've found a way to weaponise Jeremy Corbyn. I think it's quite interesting that instead of him being, if you like, an embarrassment to Keir Starmer's Labour Party, the worst election result defeats since 1935, they've now turned it round and said, we have changed the Labour Party, let us change the country. Every time the Conservatives mention Corbyn or say you should be scared, you should be really nervous about Labour, they turn round and say, actually, your party is still in hawk to Liz Truss. Don't lecture us about kicking people out of the party when you've still got Liz Truss dominating your own conference. So I think they've found their kind of level playing card on that front to say, if you like what we've done, then we're going to do more. Level playing card. I wondered about that one. Level playing field. I suppose playing cards are level. Yeah, always. The very, very last level. Before they've fallen over.

We were with a former Labour cabinet minister this morning who, on the question of is this 92 or 97, he said, I've got a real fear that it's actually 1974 and that we have got this period of stagflation and it's by no means certain that Labour wins an overall majority. It could still be very, very tight. My only reflection from the whole, and I'm interested in your perceptions of how the speech came out through the television set because Emily and I were in the hall, but it felt to me very much, the excitement levels of the audience and it's a Labour Party crowd. They still love to applaud taxes that are going to be introduced to hit. And private jets that aren't even publicly paid for. Exactly. So the taxability

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

of what does it happen to be? You know, private school fees, you're going to pay a huge applause. When they're going to introduce taxation, it felt to me that it was still big applause. I just wonder, so yes, this played electrically well for the party. How does it play in the country? Because people are going to be digesting this via TV screens, via podcasts like this, via all sorts of means. Look, I think that the main message that they want to get across for the country rather than for the activism, for the journeys, and she kept returning to this, right? It is this theme of stability. And it is the constant, I mean, actually what I found really interesting was, and it's sort of building on Emily's point, that I think she mentioned trust more than she mentioned Suneck. You know, the Conservative Party to some extent they're running against isn't really Suneck. It's the ghosts of Suneck. It's those who haunt the Conservative Party, right? And she was constantly drawing up comparisons with how the Labour Party has dealt with what they consider its extremes and how the Conservative Party has dealt with its extremes. So they were basically saying, and this is, if you talk to Labour Party people here, that's like frustration. We're going to obviously talk about the Israel question. But occasionally, you know, you've got media people or journalists trying to find, for example, pro-Palestine groups outside of the conference. Their line is, look, they would have been inside the conference two or three years ago. We've dealt with what we consider to be our extreme. The Conservative Party has not done the same. So I think in terms of what the message is for the country, it's this thing that she keeps coming back to which is stability, stability, stability. The big, big question, the big outstanding economic question, I think, for Reeves and for any future Labour government though, is this, which is, yes, you can do, you have secure economics. Yes, I genuinely think their view of political economy is different, certainly to the player period and different to the government. Everything does ultimately, though, come back to this question, which is the central diagnosis of the Labour Party is that this country is on its knees and its public services are on its knees because there has been a lack of investment for 13 years. And their answer as to how you deal with that is, well, to some extent, spending. But the question continues to be, well, where is the spending coming from? And their answer is growth. Realistically, growth is not going to be the answer at least for the first couple of years of a Labour government. You just can't get the economy growing that quickly above trend to get all the revenue you need. So I think what they mean is, I think what they mean is growth will be our answer until we get into power and then we will start spending totally. I mean, it's interesting talking about the fact that she mentioned Liz Trussmore. I was looking at a tracker pole of where Labour have sat in the polls over the last year. And their highest percentage was 52% on October the 19th of last year. What happened on October the 20th? Liz Truss resigned. So make no mistake, Liz Truss has been very, very good for Labour. And she's back. And she's just about back. But we were talking to somebody earlier who said, look, we are banking on a Keir Starmer premiership at around 90%. And I said, does that mean alone? And then the answer was very different. They said, no, actually, I think a majority is more likely to lie between 50 and 60%, which is a big gap. So you can see here where they think they are, where the party itself thinks it is. It can get him into power on what they've done and what they're saying, but they can't actually make the secure leap that gets them a majority that really helps them to do what

**[Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves**

they want to do.

You were talking about looking at tracker poles. I spent part of Saturday looking at poles from 1991 to 1992 at 96 to 97. Don't you bloody lecture me on rock and roll.

He means it. He wished you'd invited him over.

It's like the piss, yeah. That sounds ideal, but an ideal way to smooth this out.

He's going to get into trouble with his mum because he's just said taking the piss. You're going to get into trouble for that now.

It's you.

Don't blame me for you.

Bad influence like hell. The polling today, the tracker poles over the past year are much closer to 96, 97 than they are to 91, 92.

91, 92, John Major has taken over as the Tory party leader. It's already starting to narrow. The biggest poll you will find from 91 of a Labour leader's 10 points. Sometimes it's a lot, lot smaller than that. And as you get towards the election, it gets even smaller and it becomes neck and neck.

So I think that just in polling terms, Labour would be fair to say that this is much closer to 96. And the atmosphere here feels much more like that.

When we were talking about tone, I've just got to say this one thing, but Rachel Reeves' voice has got a lot deeper. And as a female broadcaster, I know when somebody has done that because it's exactly what I did on Newsnight. I remember starting there and thinking, I can't sound squeaky, otherwise people won't think I've got any authority and I won't sound like Jeremy Paxman. And so I actually started lowering my voice and I was listening to Reeves in there thinking, her voice, I mean, maybe it's conference season, everyone's exhausted and it's got a lot, you know, colder. But I think it's a deeper voice because I think she's very aware that two things are true. She could be the first female Chancellor, but she could also be desperate to prove, you know, that she can operate in this male political world of money, right?

And talking about what people might hear on the outside, the thing that they're confident with actually, and I do think it is clever, this stuff about COVID fraud is actually really smart because it is in a way that I think it's actually one of those few political issues.

I think it's actually much bigger outside of Westminster. It is within Westminster. Within Westminster is this kind of slight view, which I actually subscribe to to some extent, which is that, you know, during the pandemic, basically the Department of Health just threw everything at trying to get the PPE and so on. I can understand why they did that. And they basically threw all the rules out, which is to some extent true. Outside, it is in focus groups and if you look on Facebook and memes and everything, this question of COVID fraud is very, very resonant. It's a bit like sewage. It's one of those things that sort of caught the public imagination. And so, you know, there is no accident that this is something that they've elided on. And of course, as well, it doesn't cost them any money or virtually no money at all.

Yeah. I mean, we were talking to somebody who's campaigning on the doorstep, who said the COVID corruptions will almost do nothing, but it doesn't have to do anything. They're not going to get any money back, but it allows them. It's basically retail politics. Is that

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

something you can sell on the doorstep? Big cheers. Yes, we can.

And of course, reminding people of the COVID lockdown and the rule obeying of the general public and the rule breaking of Dumbarton Downing Street, it still resonates. It produces a visceral reaction in people. And, you know, we can go on and on and say, well, is Rachel Reeves exciting enough or is she rather dull or has Labour not set out enough of a clear message? Actually, on this sort of stuff, you're playing to raw politics, raw emotion, and people reminded of what they felt then, and it still resonates now.

But Shatik, one of the other things, I mean, you, John, you just mentioned about the mood here, which is good, right? I mean, it's just almost universally good. There is very little sounding off or no sounding off. They all think that they're on course to either get into government in some form. And so, you know, it's the most sort of United Labour Party conference that I can remember. One of the reasons for that internally and their satisfaction is, is that they think that soon that screwed up last week. They think he screwed up in terms of the framing about the Labour Party and about himself. For one, they still can't believe that he's going on about Jeremy Corbyn, because they think that this is an issue that makes him look, I mean, for someone who's saying he's talking about the future, that it just looks completely backward and retro-rigade. And in so far as anyone knows anything about Stammer and Corbyn, yes, they knew he knows that he served in their shadow cabinet. Their line is they also just constantly remind people, and they say this shows up in their folks' groups, that he threw him out, that he threw him out to the PLP. So that's one thing. And they also cannot understand why he's tried to go for the self-renewal thing. Yeah, you look at the polls which show that 90% of the public want to change. So you can see why, and soon that might try and cast himself as a change agent. But they think that he would have been far better off going for the better, the devil, you know, don't trust Stammer. They can't actually understand why, and I have to say I kind of agree. The main thing they should say about Stammer constantly is that he vacillates, that he just constantly sort of flip-flops. And they say it a bit, but they think that they've diluted and muddied the water and muddied the message coming out of the Tory conference, and they haven't got the framing of Labour and Stammer, right? So they think there's a great opportunity. Look, you mentioned Jeremy Corbyn there. The most notable thing from Jeremy Corbyn in the past 24 hours is his failure to condemn Hamas' actions in Israel, where 700 Israeli citizens, mainly, were killed and over 100 taken hostage. When we come back, we'll be discussing what next for that troubled region. This is the newsagents.

What has unfolded in Israel over the past 24, 48 hours? I would say it is as shocking as anything I can remember since 9-11. Russia's invasion of Ukraine was anticipated. We'd seen the build-up of forces, we'd seen the troops massing on the border, and the intelligence agencies warned. This was something that seemed impossible, unbelievable, incredible, that at what was seen as a ragtag bunch of terrorists, Hamas, would have the capability to do something like this against the best defended country in the world, with the finest intelligence service, and yet they were, and frankly, it has been horrific. If anything defines terror, what they did to those children, taking them hostage, separating mothers and children, taking them back to Gaza, killing 260 people, at a music festival celebrating peace? If you've come to this story for the first time with us, then this all started happening

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

on Saturday, and the surprise element was so shocking because it mirrored what we now know as the Yom Kippur War, almost exactly 50 years ago, where it was that same element of incursion that took the Israeli forces government completely by surprise. What happened with Hamas was they essentially found a way out of a very tightly controlled area, Gaza, you'll know it's tightly controlled by Israel, and their acts were to take many young Israeli people hostage, old people hostage. They broke into a kibbutz, they found older elderly ladies in the dining room, they took them hostage, they paraded them around, they took students, they took musicians, they took festival goers hostage, they took them to Gaza, they paraded them around, they took children who were sleeping in their beds whilst trying to speak to their mother on the phone hostage, they took them to Gaza and their faces are being paraded around, and this is the moment at which Israel's government declared war on Hamas, and that war we're now seeing in full force today, they've called up some 300,000 reservists. And not only obviously the hostages and the terrorists making incursions into Israel, but there was 5,000 rockets, 5,000 rockets fired into Israeli towns, and I was listening to some of the reaction from Israeli security figures, from foreign ministers and so on, and talking to some people in Israel as well. I mean the overwhelming sense appears to be of complete shock, aghast obviously, but also it poses profound questions in terms of a scale of intelligence failure. I mean Israelis place a great deal of pride and faith in their security services, Mossad and so on, and also of course their wider security apparatus and the IDF, and there are big questions obviously about Netanyahu's response, and he's been criticised in obviously there's a bit of a rally around the flag effect for obvious reasons, but there are questions being asked about whether his eye was off the ball in terms of what he's doing internally in the reforms to the judiciary and so on, which we've covered on the news ages before. But also questions for the international community as well, the US and the Biden administration, I mean there is virtually no closer intelligence relationship in the world than between the United States and Israel, and they work hand in glove in terms of observing very closely what happens in the Gaza Strip, in the West Bank, and with Hamas and so on. And all of that, they hold basically the Western security apparatus apparently taken by surprise, and we've seen the horror that has resulted.

Well, Emily spoke a moment ago about the Yom Kippur War, and you know, in my 60s I remember the kind of profound shock of hearing what had happened, but that was a conventional war. It was armies, it was tanks, it was planes, it was not asymmetric. If Israel goes into Gaza, 2.3 million people in this strip of land alongside the Mediterranean, then the casualties are going to be huge because there is no easy way of doing a land incursion. And all the time this has happened on Netanyahu's watch, who prided himself, who sold himself to the Israeli people as Mr. Security, and Mr. Security has really failed, and this is why people that you speak to now who are in Israel, the sense of shock and disbelief over what has happened is unbelievable.

I also think they understood the Israeli psyche very well, which is that that government will do anything to get hostages back. We remember they went to war over Gilad Shali. We remember the two who were taken in the Lebanon War of 2008. This government will stop at nothing to try and get those hostages back, and the numbers we should say, we're recording this at 1.30 on Monday, and I hate to say this, but the numbers might be very out of date

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

by the time you listen to this, but we know that just from that one peace festival of young people, they found more than 260 bodies, and they now think they have another 100 hostages in Gaza, and Israel will be crossing to try and get them back. So how do they possibly make their retaliatory strikes without hurting the very people they're trying to save? Look, I just want to put the numbers that we're hearing about of casualties in some kind of perspective. 700 Israeli dead so far, and it's being reported now that 10 of them may be British as well. So 700 dead out of a population of 9 million. That is a 30th of the size of the US, less than a 30th. So if you translate those casualties, that would be like America suffering 25,000 fatalities in one day. On 9-11, they suffered 3,000. This is eight times bigger proportionately than 9-11, and no democratic government could survive anywhere in the world without responding to that. You can't just turn the other cheek and just say, oh yeah, I know we've lost the x percentage of our population, but hey, but John, yeah, what do they do?

John, exactly as you say that, what do they do? Because there's a reason, for people not familiar with the situation. There is a reason why the Israeli government over a long time has basically adopted a policy of containment of the Gaza Strip. Yeah, they could have gone in there before now, but they know what the cost could be in terms of sending troops, not only civilian cost for Palestinians, for example, but also indeed for their own troops, for the IDF. The warren that is the Gaza Strip, how well embedded, Hamas, in there, it would be a guerrilla war, the like of which we have not seen for many years. And that is now the question. The big question over all of this, of course, Israel, everyone always says it's got the right to defend itself. Of course it does. The question obviously is then what it does, because, as we've heard today, Israelis have formally declared war. Netanyahu's warned Gazans to get out of the Gaza Strip, but where are they going to go? I mean, the whole point of the Gaza Strip is that it's a self-contained... We should put, you know, many Gazans will be deeply, badly affected by this, and they are not supporting the actions of terrorists who have made those moves. No, and there's 55% unemployment, and it is, you know, anyone would recognize it is a deeply, and has been for a long time, very, very significant humanitarian problems. The Israeli government has cut off now the gas and electricity they've said today they're going to cut off water. And then the question is, of course, as I say, if they send in troops, that becomes a guerrilla war, and where does that cycle of violence end? No one knows. But as you say, this is now the question. They've got to do something. What is that something? This is a perilous moment. And also, just the timing of it is not accidental. I'm sure this has been a very, very long time in the planning, and whoever did the planning, Iran, I'm sure had a hand in this because they are supported. Hamas is supported by Iran just as Hezbollah in Lebanon to the north supported by Iran. But the timing of this is very deliberate. You have just got, at the moment, it seemed to be an agreement about to be reached between Saudi Arabia and Israel, brokered by the U.S., to recognize the state of Israel. That would be an extraordinary move. The Abraham Accords that were signed when Donald Trump was president, and arguably the biggest achievement of his presidency, was to bring Bahrain and the UAE into recognizing the state of Israel. Hamas does not want to see the region accepting the state of Israel. It wants to scupper that. It wants to destroy the state of Israel. And therefore, what better way to do it than to make it impossible for

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

Saudi Arabia to go ahead now and say, OK, we're going to recognize the state of Israel when passions are so inflamed in the region? I think we should also say that Hamas may be a terrorist organization, but they look as if they almost certainly have the backing of state finance behind them. And that state is Iran. And last night I was listening to Anthony Blinken, the U.S. Secretary of State. And it's very interesting how the Americans do not want this to be any wider as a problem for the Middle East. They do not want to start pulling Iran. If America is, as it is now, sending help to Israel, sending defense, sending gunships or whatever, they do not want this to be the start of a war with Iran. So for them, in terms of the framing of it, they have to say, no, this is a war against Hamas terrorists. This is not an intra-Nesine Middle Eastern war between two of the greatest powers there are. That's the thing. This is a perilous moment for Israel-Polistan. It's a perilous moment internally for absolutely everyone who lives in the Palestinian territory and in Israel. And my word is a perilous moment for geopolitics and the Middle East. It is alongside, I would say, right up there with the Ukraine war and the Russian invasion of Ukraine. It is that potential level of gravity.

Yeah, we thought all eyes were on Taiwan, to be fair. Right? You know, a year ago we were thinking, oh, Ukraine could lead to the Chinese invasion of Taiwan. This, I think, has properly come from nowhere until, as John says, you look at the kind of tentative deal-making, peacemaking that was going on there and you understand what may be at the heart of it. But also, come from nowhere in a sense, but also, and let's be honest, it is the remnant of, and obviously, nothing ever excuses what has happened. It's not a question of that. But let's be honest, this has continued to be, what, for the last 80 years, but also over the last 20 years, since basically the demise of the two-state solution. This is just a problem which is just ignored. It's been ignored by everybody. No one knows what the answer is.

Because America, to be fair, America is no longer the country that can sort out- It's not a broker.

It's not the broker, and there is no broker. So it has been the easiest thing to leave this festering problem and the problem of Gaza and the West Bank to just continue to exist. But of course, within that vacuum comes Hamas.

Actually, I think it is the only country that could broker, but too many presidents have been burned, trying, along the way, trying to get there. And of course, with Donald Trump, he was never trying to broker that sort of deal between the Palestinians and the Israelis, you know, moving the U.S. embassy from Tel Aviv to Jerusalem was a highly provocative move that he did. And didn't show that much interest in the Palestinian cause. It didn't work for him at home.

But other presidents have looked at it and thought, I saw what happened to Bill Clinton. He got really, really close, and it never happened.

Well, no one got closer than Bill Clinton, and then subsequently the assassination of Yitzhak Rabin in 1995 by, you know, an extremist orthodox Jew, Israeli, on his own, you know, as you would say, on his own side, was what ended that piece then.

I mean, it seems...

And the trouble overall is that you could go back to the times of Judea and Samaria

**[Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves**

thousands of years ago, and each side has their own grievance against the other over something that happened. And history, you can't find a starting and end point. But you can say that this weekend terror came to southern Israel.

Well, we're going to pick up now with somebody who's right on the ground, and that's Channel 4's Matt Fry, LBC presenter. Matt, I know you're also hosting a new special from Jerusalem tonight. Just give us a sense, first of all, of the atmosphere in the country.

Well, Emily, I was in this very hotel in West Jerusalem overlooking the old city and the amount of olives two years ago during the last Gaza-Israel war. And even though there were rockets flying, the sirens were going off now. And again, the cafes were full.

The rooftop pool was full. It was almost grotesque that so many Israelis were having, you know, fun, frankly, while in the Gaza Strip, all hell was breaking loose.

This is different. The streets are empty. The cafes and restaurants are shuttered.

Only the shops are closed. The hotel is deserted. All the tourists have either canceled or they've tried to get out any way, which way they can. So there's a real sense not of Israelis necessarily hunkering at home waiting for the next missiles to land, but the kind of shock of what has happened to them, the vulnerability that none of them thought they were subject to.

Because these people had lived with, you know, the Palestinians, either in the West Bank or the Gaza Strip, very much out of sight and out of mind, since the Second Intifada ended in 2005. And suddenly that forgotten crisis has come to haunt them and kill them and take them hostage. And that is a trauma that cannot be underestimated.

Yeah. I mean, I've always been struck, Matt, being in Israel, that there is that mix of swagger. Look, we've got the best military. We've got the best intelligence, but also insecurity. There are a lot of enemies around us who want to kill us. And I suspect the insecurity is now taking over the swagger.

Because also, you're right, John, but also in recent years, you know, whatever you say about Bibi Netanyahu and indeed, you know, others who had that job before him, they managed to kind of stitch together something that was workable for Israelis. In other words, do as much as you can to contain the Gaza Strip in the West Bank. And you have a blockade of the Gaza Strip, which is what causes a lot of the resentment. But basically you carry on with that blockade. You limit the number of people who come from the occupied territories into Israel every day. And at the same time, you stitch together bilateral deals, you know, with your former enemies in the Middle East, the most important one being, of course, the deal between Israel and Saudi Arabia, which was kind of almost on the verge of being signed, which would have been a huge development and a massive feather in Netanyahu's cap, except now it's probably, I'm assuming, off the table.

Has there been or do you think there will be a backlash towards the Netanyahu government? Or is there, you know, John was suggesting, is there a sort of rally to the flag in a moment of national crisis? Or do people think that he just took his eye off the ball here?

I think you can have both. So, I mean, the Israelis that I've spoken to since I've arrived or even trying to get on a plane yesterday in Rome, you know, all these people turning up, you know, soldiers on holiday with their families trying to get home in order to fight because they've been called up as reservists. They were all saying, this country is now united in absolute determination to squash Hamas, to pay them back for what they've done.

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

That does not mean that we're united behind BB Netanyahu, because one of the reasons many of them were telling us, you know, I just spoke to Ehudalmat, who's a big, you know, former prime minister, big foe of BB Netanyahu, can't stand the guy. He was telling me just now, the big intelligence failure here. And this is on the prime minister's doorstep. It's not that they didn't have the information. It's not that they didn't get, you know, the readings and the signals and the forensic intelligence. It's that they failed to interpret what that meant. And they were distracted both by internal divisions, both by an excess of settlement activity in the West Bank, which meant more IDF soldiers had to go there to protect the settlers than down in Gaza, which they'd sort of forgotten about. They'd assumed they can just carry on. And it's that misinterpretation and that taking your eye off the ball, which even if people are today rallying behind BB Netanyahu, when the reckoning, the political reckoning comes internally, domestically, inside Israel, I cannot imagine him, you know, being unscathed by that. Remember, he was already quite unpopular. The reason why he's empowered is because of Israel's ridiculous election, pure PR election system where literally one person from one party, one member of the Knesset can hold the balance of power. And, you know, if you'd seen these demonstrations in recent months, you know that there's trouble here in the house of Israel. And that may be one of the reasons also why Hamas thought this is a good opportunity to strike. And here's an important point, Emily and John. This is vital. Any operation that they plan in terms of killing the Hamas leadership is going to be completely flummoxed by the presence of 130 hostages inside the Gaza Strip. It is now all about those hostages. If they can't save those hostages, or if those hostages are killed either by Israeli airstrikes or by Hamas people pretending that they were killed by Israeli airstrikes, then this government will be in a world of trouble that it can't even have imagined. Put yourself in the shoes of a government trying to kill the leadership of terrorist organisations like Hamas in a huge refugee camp and at the same time try and save the hostages lives.

And Matt, I mean, you know, Israel is a small country. In the north, you've got the Lebanon border, you have got Hezbollah, rockets being fired into Haifa or whatever from the north. Is there a danger that this escalates? And the other Palestinian groups or anti-Israel groups rise up and make this a wider regional conflict?

Absolutely, there's a danger, John. I think on several fronts, danger number one, Hezbollah in a fires more rockets into northern Israel. They've done so already in the last 48 hours, almost like a calling card. Remember us guys, we're here as well. Okay. The second danger is the West Bank, of course. I mean, we have constant strife in the West Bank between Palestinian residents of the West Bank and Israeli settlers. And we've had more activity, you know, on those lines in the last year than we've had in the previous five years. And that's one of the accusations held against Netanyahu that he's allowed the settlers in his government to basically have the upper hand plan more settlements and therefore create more trouble. But the other front, of course, is the one that we saw rearing its very ugly and surprising head two years ago during the last Gaza war was Arab Israeli citizens, Palestinian citizens inside Israel, who have the same rights but don't think they have but have the same rights on paper as Jewish Israeli citizens, you know, who can vote in elections, they have Arab parties in the Knesset, they feel treated like second class citizens and that violence

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

spilled over two years ago. Will that happen again? And finally, this is the big point, which of course is keeping people in Washington awake at night, is what happens with Iran. Now, Ehud Ahmed, former prime minister, where I spoke to half an hour ago, he said, I asked him, do you think Iran had anything to do with this? And he said, absolutely yes. There's evidence today, you know, reported in the Wall Street Journal and, you know, he's seen some of his own stuff. He says, there's no way that they could have planned this without the revolutionary guard of Iran helping them to do so. Now, if that's the case, what does the government do about it? There are some, of course, including in Washington, it would urge Jerusalem to launch an attack against Iran, but then we're into a completely different world of trouble. And then there are others like Olma, who say, hang on a minute, Iran is responsible, but you make them pay that price quietly so that they know it, but the rest of the world doesn't necessarily have to react to it. Rather like 9-11, this will change the political furniture of the Middle East in a way that very few things have done for a very long time. Matt, thank you so much. Stay safe and thanks for giving us your time. It's a pleasure. And in a moment, the Shadow Chancellor, Rachel Reeves. This is The News Agents.

Well, we're joined now on the stand by the Shadow Chancellor, Rachel Reeves.

Shame there wasn't much atmosphere in the hall for you there. It was extraordinary, wasn't it? It was really wonderful to get that sort of reception. And it shows how much the Labour Party has changed these last few years. And because we've changed the Party, we now have the chance

to change Britain. And that's because of Keir's leadership, that that opportunity is now within our grasp. You are very on message there. I want you to just spend a bit of time on what it must have felt like to be getting all those slanderer benches. I mean, nobody had a seat where we were. Everyone was standing. They were being turned away. Or they were family. Seriously. I mean, the adrenaline must have been off the scale.

Yes. And you know, you practice these speeches. I've been practicing them in my room at the conference. I've been practicing the office in Westminster. But it is a different thing when you stand up there and deliver that speech. Because it is an interaction with the conference hall. I do get a buzz from it and that feedback and that response. And you know, I am there as their shadow Chancellor. They want me to be and I want to be the next Chancellor of the Exchequer. So it's a big moment. The biggest day in my job in the year is when I stand up and deliver that speech at a party conference. I love hearing a woman just say, yes, I do practice. Yes, I come prepared. Not sort of like, oh, yeah, no, I just, it was just something on the top of my head or in terms of other preparation, I mean, we're on our third sort of heavy week of conference. And you can probably tell in all our tired red eyes and voices. But what do you do to prepare when you come here? Is that do you bring, you know, do you bring your teabags or do you bring your hot water bottle or your exercise clothes? What's the thing that gets you through a conference season? My team. My team are brilliant. But the conference speech starts. They're sharing a pair of headphones behind you, listening to you saying they're brilliant. But come on, Rachel, they're not in the luggage. In terms of like, what is your special thing? I mean, you should see what she brings to keep herself safe. I do. I have a packet of Earl Grey teabags to keep me going just in case the hotel room doesn't have Earl Grey. See, I have cough mixture, strepsels, all those things to keep your voice strong because obviously when you deliver a speech that's 20, 30 minutes, you've

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

got to keep your voice strong. Echoes of Theresa May. Is that, is what happened to Theresa May? No, I'm carrying up with my P45. I was pretty happy, actually. Yeah, so, you know, the voice is obviously really important. But as to say, there's nothing like delivering a speech with an audience like that. They were willing me on. Your voice got lower. I mean, I noticed this as a broadcaster, because when I started doing Newsnight, my voice got lower. And I think somehow, psychologically, I was thinking people will take me more seriously if I'm lower.

I mean, I have got quite a deep voice, but it is important that it doesn't start to rise. I think if you keep it grounded, well, anyway, that works well for me. Well, the speech is really saying you should speak from your stomach rather than your neck. Like a coaching session here. Yes, that's right. Yeah, deep breaths and... Free from the diaphragm, all the rest of the stuff.

Yes. Well, actually, I used to play the flute when I was at school. And you had to do that for that, to get through, you know, the scales of three octaves. So you had to take those deep breaths and keep going. So let's talk about some of the policy stuff that you announced today.

Stamp duty rises for foreigners buying properties in the UK. What level will that be set at?

So there's already a 2% surcharge on stamp duty for overseas buyers. And we would increase that to 3%. It would raise £25 million. And we would put that money into the planning system to expedite some of these... That's a small sum. Yeah, sure. I mean, it's a small sum, but a big difference.

It's more planning officers, both locally and at a national level, to drive through some of the reforms that I've spoken about today. It's not the only way we're going to do it. We're going to update

the list of nationally significant infrastructure projects. We're going to fast track those things that are nationally important for us. But we will also make sure that we've got the planning officers to do the job. And we will fund that through that small increase in the surcharge put on the purchases by overseas buyers of UK properties. So not to put people off buying houses just to make £25 million, not very much? No, but it does make a difference. And I often talk to developers and they say, you put a planning application in and it takes forever, not because of any particular complications with the project, but because there is such a backlog in local authority planning departments. And I also talk to local authorities and they say, we just don't have the manpower to process all of these development opportunities. So this is about a targeted increase on that surcharge and using that money to do what we want to do, which is get Britain building and talking about targeted increases. Where are you now on this digital tech tax? Because we've seen you really in favour of a bigger tax on companies like, you know, Amazon and Google and all the rest of it. And then in June of this year, it seemed to go away completely. And now there is something that sounds as if the tech tax is back, but you haven't spelled it out. Where are we? Well, that digital tax should be going. There is a digital services tax today, but it should be replaced with the minimum rate of corporation tax, which this government have committed to bring in alongside other OECD countries. And we won't bring that back.

But we do want a rebalancing of the business rate system. Because at the moment, if you have a high street premises, you are taxed more than if you do all of your business out of a warehouse. Yeah. And that makes no sense because it's not a level playing field.

For Amazon, I mean, their taxes are on 2% or something. Where should they be?

We want a rebalancing, which will mean that some companies have to pay more.

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

Go on. And as I said, what is rebalancing? Is it like 10%? Is it 40%?

Well, we'll set out that in more details and work through those plans. But we want a rebalancing so that small businesses and high streets businesses pay less. And that some of those big multinational tech giants, they pay more into the system. But is it fair to say labor is cracking down on big tech firms not paying enough tax? Are you cracking down on what they're doing by not paying enough tax? Well, they're paying the tax they're being asked to pay today, but we would ask them to pay a bit more so we can give a discount for small businesses and high street businesses. What I'm trying to understand is that on some things you have been very specific about putting VAT on school fees will raise an X amount of money. And we're going to use that for this. How much do you hope you're going to raise from the tax tax?

Well, at the moment, business rates raise about £28 billion. And what we want to do is to rebalance that so that some businesses pay more and some businesses pay less. We'll start to set out more detail of that. Already the system is in a great deal of flux because the government are moving from a digital services tax to this global minimum rate of corporation tax. But we think that more can be done to ease the burden on high streets and small businesses and just create that level playing field that doesn't exist today.

Okay, so let's stay with the level of the playing field. We saw Rishi Sunak's tax returns that showed that over a period of years, he'd kind of made about £5 million. He paid tax on 20% of it. He paid a marginal tax rate of 22% and paid a million-ton tax bill. Is that fair when most of us, if we earn over 40 or 50,000, we're paying 40%, if you earn over 145,000, you're paying 45%, is that fair? Well, the reason that the tax structure is set up like that is to encourage innovation and entrepreneurship and to invest in new industries. I want to grow the economy and that does mean attracting investment into start-up businesses, to scale-up businesses. I understand that. We don't plan to change the capital gain system.

If you've got 10 million quid in shares, you're going to pay tax at 20% on it. Whereas if anyone who's listening to this is just an ordinary earner and they may have student debt as well, they're going to pay a much higher marginal tax rate. Well, you heard me set out in my conference speech today that the lifeblood of any economy is private business investment and that is what I want to unlock through the plans that I've set out today. But what we need in our economy is not more taxes, it's more economic growth because that has been the missing ingredient in our economy these last 13 years under the Conservatives. So my focus, my drive, is to put in place a set of policies that are going to encourage businesses to invest here in Britain. This is not about having higher taxes, it is about growing the economy because when Britain is better off, working people are better off and you have the money to invest in our public services.

So however much your drive and your focus is on growth, it's not going to happen overnight. So what's going to happen to, let's say, a Labour government in power when it comes to investment? I mean, you can't wait for the growth to promise us you're going to invest. You've seen what people are saying that you need to spend 70 billion just to get the country working again, that it's like post-1945, you need to be bold. And the point is that you're offering change but there is no guarantee

yet that you're going to spend what it needs to change. Well, I'd say two things to that. First of all, we have set out a couple of targeted tax measures closing loopholes. So if you make Britain a home, you're not going to rewrite this whole economy.

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

Well, this is, you know, from the non-doms changes, that is billions of pounds that at the moment is not paid in tax in Britain and we would use that money to invest in our national health service. Two million more appointments in the first year of a Labour government, including operations to clear that backlog, as well as 700,000 additional dentist appointments, closing the loopholes so that private schools pay VAT and business rates and putting that money into our state schools. But where's the labour of scrambling? Where's the Labour Party that says, you know, we've seen what can be done with an Inflation Reduction Act, whatever. We can see how we drive massive numbers of jobs, massive domestic investment, massive investment in reshaping this whole country and we're prepared to do that. And you heard that in the speech today. Only with private partnerships. Our new national wealth fund, which we would endow with eight billion pounds of money, investment in a national wealth fund, but for every pound that we put in, it will leverage in three pounds of private sector investment. So a new partnership between government and business to unlock the potential of our economy in some of those new industries of the future.

Rachel, coming into the conference today, loads of people holding Palestinian flags, saying boycott Israel. Is it the right time and place, given the terrorist attack that's taken place for those protests to be taking place outside Labour Party Conference? Feel about it. No, and I would urge people not to take part in those protests. Israel was subject to a terrorist attack on Saturday. People have been killed, hostages have been taken and Israel has every right to defend itself, as does any sovereign country, against terrorists. And we stand as a Labour Party of fully alongside Israel in fighting that terrorist threat.

But there are lots of Labour Party supporters who support Free Palestine, who support boycott Israel movements. Well, I would like to see a viable Palestinian state alongside a safe and secure Israel. But Hamas put that piece back this week because of their terrorist attacks. And Israel now has hostages have been taken into Gaza. They have had civilians killed, young people at a music festival murdered by terrorists. And Israel should be able and must be able to defend itself. Because, you know, if this was Britain or any other country that had terrorists slaughtering civilians, everybody would say they've got a right to defend themselves against terrorists. Israel is no different. They have the right to defend themselves against this atrocity. I know you've got to go. So just before you do, as you stood up to speak, Rishi Sunak was appearing on Jeremy Vine. I thought you guys weren't meant to do that at the same time. Any thoughts on what happened there? I really don't mind what Rishi Sunak is doing. This is our opportunity this week to set out to the country the change in the difference that they're going through. But does it piss you off a bit? I mean, you know, here you are making your speech. It's the Labour conference. He had his last week and he seems to be trying to lure your language. You know that. Well, Emily, all I would say is they had their opportunity last week and what a mess they made of it. They cancelled HS2 when they were in Manchester. They argued about non-existent meat taxes and restrictions on where people could travel. They are now auditioning for opposition and the sooner they're there and the sooner Labour and government are better. You're not flattered he was trying to scupper you. I really not bothered what Rishi Sunak is up to. The voters at some point will have their say and the Labour Party has changed under Keir's

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

leadership and because of that we are now in with a chance for the first time I've been an MP and I've been here for 13 and a half years in with a chance of performing in the next government. That's incredibly exciting and I hope that at the end of this week people will feel they can put their trust in Labour and see that Labour has got a serious plan to improve living standards of working people and improve public services right across our country. Rachel Wies, thank you very much. Thank you. So there was something really odd about the choreography of the speech which was

that you've got this big speech, loads of standing ovations, everyone goes wild at the end and then everyone starts to file out the hall and everyone says we've now got a message from the former governor of the Bank of England, Mark Carney. What? She began her career at the Bank of England so

she understands the big picture but crucially she also understands the economics of work, of place and of family. It's beyond time to put her ideas and energy into action.

So Mark Carney who'd been appointed and chased and courted by George Osborne to become the governor

of the Bank of England, they're standing up and endorsing Rachel Reeves. She used to be an economist at the Bank of England and that is something that as you heard Carney was citing that you know she knew what she was talking about so I mean on one level it is a real coup. I mean for a party that is trying to prize economic stability and the idea that it is now the natural party of solid stable economic governance to have someone like the Governor of the Bank of England endorse them. I think you can question I think a lot of conservatives with some justification. Carney already a bit of a controversial figure for them in different ways and he of course attacked Liz Truss very recently of course when he compared her to turning Britain into Argentina rather than Singapore on terms. It's quite unusual for a former governor of the Bank of England to endorse a party in that way and a particular political figure in that way when they are supposed to be neutral. I think it helps that he's Canadian so he's not sort of British political stock but I also think that subliminally he was the Governor of the Bank of England during the austerity years so I wonder if somewhere in the back of their mind they are saying she is going to hold on to the reins just like he held on to the reins. I think Rachel Reeves got more to gain from that than Mark Carney has arguably. I think it is all about this message isn't it that we've heard time and again which is fiscal responsibility iron rod and actually the way they're getting around that at the moment as we saw in that interview with Rachel Reeves is by not really giving us the details you know they're not really spelling out how they're going to tax tech companies they're not really spelling out where this growth is going to come from that's going to land them the kind of billions that they really need to reshape an economy on its needs and so they can keep on saying we're going to be responsible and we hear that loud and clear. What we don't see is that link that they have to make to the place where this is the government if you like the government waiting that changes the country. I think there is a reason for that and it's simple they don't want to shoot their bolt too soon they want to keep some powder dry they want to announce these things at the appropriate moment ideally closer to an election they were setting out frameworks today they were setting out ambitions there were some specifics yet because they knew they had to give specifics but I think just like Gordon Brown in the lead up to the 97 election you keep some of the stuff back so that you hold it until the time is right

## [Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves

and that was the same about what the sticking to Tory spending totals about not raising the top level of tax in the run up to the 97 election. Although I do think that as we heard in your interview there and more generally Labour have boxed themselves in all sorts of ways you know they've been absolutely explicit about not raising all sorts of taxes and as I was saying earlier that doesn't stop the fact that their diagnosis of the fundamental problems Britain has is basically each and every time whether it's about health or education or local government that they basically think that more money needs to be spent on these things. Now there is a school of thought you hear some suggestions from some Labour people there's a sort of rumour that something the party might try

and pull off in government is to go into government and say we've had a look at the books and actually

think it's better than more what no worse than we thought it's even worse so what we said before that doesn't quite work now I think there's two things to say about that and obviously this is looking ahead one Stalmer already has a reputation for vacillation which could come back to haunt him

he's not someone who is he's already got some political weakness in that front and the other thing is to say that actually there is comparisons made with 2010 and what Cameron did on austerity and the thing that we have to remember about that is that in 2010 to Cameron's credit whether you think it was a good thing or a bad thing he was actually straightforward about what they were going to do in the run-up to 2010 election a lot of Tories think that actually it cost them a majority in 2010 they said him and Osborne we are going to cut now I think it's a very difficult thing to do therefore he had legitimacy it is a difficult thing to do for Stalmer and Reeves who are riding real high at the moment at some point when they get into government then just turn around and say oh you know everything we said we can't do it okay but I think there is a big question mark as we talked about a little earlier of whether a Kia Stalmer premiership would be backed up by let's say another party i.e the Lib Dems and there was an argument to be made that actually if he does have to go into some kind of coalition or some kind of supportive government the Lib Dems

become the party that make him spend more they could easily go into that arguing we need to see bigger expenditure we need to see investment borrowing to invest become the party to labour that in a sense they were the party to the Tories where they tried to be the break

on austerity one thing I would say is about the timing of the election and you were mentioning Gordon Brown who made his intervention in January before a May election of 97 I'm told that there is a moment in February where the government is going to decide whether it's May or October the moment we're all thinking it's going to be an autumn election there is a very slim chance it could still be a May election and I think Labour will try and time any announcements they're making to come just before a day for elections may well I think it still feels to me that autumn is so much more likely particularly given where the economics is I think on terms of partners for Labour of course making them spend more more likely it's the Labour left they are completely maligned at this conference don't be surprised there are still 30 or 40 of them in the plp don't be surprised if John McDonnell ends up potentially being a very powerful figure in the next parliament

and also people on the outside of course including mayors to the left of West Armouries including

**[Transcript] The News Agents / War in Israel, and an interview with Shadow Chancellor Rachel Reeves**

Andy Burnham and Steve Rotherham who we caught up with a little bit earlier today he's just a snippet of that conversation I had with him I was around in 96 and 95 and it does this conference feels more like those conferences than than any since in my mind because you can just see the number of people here the number of businesses who are here it is clear as Steve said this country is heading towards a change of government what we saw in Manchester were the desperate last acts of a dying government and I think this conference is really bringing through the sense of seriousness and change is just before we go I heard from a senior Labour person that they were all called together on Saturday to be sort of given a briefing but also read the riot act no drunkenness no late nights no being filmed holding drinks it wasn't 10 minutes on the news and the discipline and of course we didn't get that message so tonight we're off on the lash we'll be back tomorrow see you then bye bye bye the news agents with Emily Maitlis John Sopo and Lewis Goodall  
this has been a global player original podcast and a Persephoneka production