

Jeremy Corbyn speech at the CBI Annual Conference

***CHECK
AGAINST DELIVERY***

Jeremy Corbyn MP, Leader of the Labour Party, speaking at the CBI Annual Conference today, said:

It's a pleasure to be with you here for the second year running.

And a good deal has changed since I came to your conference last year.

We've had a surprise General Election and to many people here, perhaps an even more surprising result. A result that returned a weak and divided Conservative Government and a Labour opposition stronger and more united than before.

We have also seen the terms of economic debate shift dramatically.

I put it to you last year that for too many people the economic system simply isn't working.

A system that has delivered rising inequality and falling living standards for the majority, when six million of those in work are earning less than the living wage.

It's a system in which large numbers of people have lost confidence.

And it's not hard to see why. The richest 10 per cent now own 900 times the wealth of the poorest 10 per cent and in recent years half of the increase in personal wealth has gone to the top 10 per cent.

I put it to you this year that a crucial reason for the surprising election result; the biggest turnaround in polls during an election campaign in British history, is that Labour went to the country with a vision that offered hope and change.

Our
manifesto, For the Many Not the Few, set out a fully costed programme to
build
an economy which gives everyone the chance of a secure and fulfilling life.

Since
the General Election in June the political establishment has finally begun to
catch up.

Calls
to end austerity now come from all sides in parliament.

Senior
cabinet members are taking their lead from Labour and pushing for more
radical
solutions to the housing and student debt crises.

Sajid
Javid advocates £50 billion of borrowing for investment in housing.

Jeremy
Hunt has broken ranks and called for an end to the public sector pay cap.

Few
would have predicted this a year ago. And of course we've yet to see if
they've
convinced the Chancellor.

It
is a measure of the essential pragmatism of business people that so many have
changed their outlook too.

Business people across the country have expressed to me a
growing awareness – and acceptance – that things need to change.

The London Chamber of Commerce recently called for councils to
be allowed to borrow freely to build housing.

We all know an economic model that allows a few to grow very
rich while the majority face falling incomes and rising indebtedness; that
leaves too many people in unfulfilling and insecure work; that is overly
reliant on one sector in one region of our country, is neither stable nor
sustainable.

And in this Living Wage Week, of all weeks, we have to be clear
that Britain needs a pay rise.

When too much of household income is going to pay debts or rent,
that's less money for consumers to spend on productive businesses. That's why
Labour backs a Real Living Wage and sensible controls on rents and debts.

Because
it isn't good for business either.

We understand that Labour has changed and you have changed.

But there is one thing that hasn't changed.

A year ago, we were just five months on from the referendum vote to leave the European Union. The Government's sluggish response to which had already created unprecedented uncertainty for business.

A year on, Article 50 has been triggered, Brexit negotiations are underway but businesses feel no closer to having the clarity about the direction of travel they desperately need.

Indeed, watching chaos and confusion grow at the heart of Government and Brexit negotiations stuck in stalemate, many of you probably feel that the situation is more uncertain and precarious than ever.

Time is running out. We know, as you do, that firms are deciding now whether to continue to invest in the UK, and that guarantees in key areas are needed now to stop firms from cutting the UK out of their business models.

A few weeks ago, you joined forces with Britain's other major business organisations, the Engineering Employers Federation, the Chamber of Commerce, the Institute of Directors and the Federation of Small Business, to ask the Government to heed the needs of business as they negotiate our exit from the European Union.

We agree. We need a Brexit that puts jobs and living standards first and it is Labour that has common ground with you on putting the needs of the economy front and centre stage.

We have common ground on the need for transitional arrangements to be agreed immediately so that businesses know they won't face a cliff-edge Brexit when the two year negotiating period is up.

Because let me be clear: to delay a transition deal until a final deal is agreed as the Prime Minister says she wants to do, is simply not good enough.

The prospect of sudden changes in the legal and regulatory environment in which people do business is affecting your decisions right now.

And

we have common ground on the threat of “no deal” which, contrary to the claims of the Secretary of State for International Trade, is potentially a nightmare scenario. One that involves tariffs on our food imports and our manufacturing exports, queues at our ports and a hard border in Northern Ireland with all the dangers that could bring.

The

fact that some in the cabinet want “no deal” to re-launch Britain as a race-to-the-bottom deregulated tax haven on the shores of Europe only adds to the risks.

And

we agree on the need to signal that the UK remains open to the rest of the world that Europe is not the “enemy” but our partner in a strong cooperative relationship for the future.

And

that EU citizens living in the UK are our friends and fellow workers, which is why the Government should immediately and unilaterally guarantee them full rights to remain here; in fact they should have done so months ago. And indeed Labour called for that in July of last year.

Like

you, we have always said that we respect the result of the referendum. Like you, we have always said that the economy, jobs and living standards should come first in the negotiations, which means it is crucial that the final deal maintains the benefits of the common market and the customs union.

I

promise you today between now and March 2019, we will use every opportunity we can find to put pressure on the Government to do the same.

But,

as Carolyn has so rightly pointed out, we mustn't use up all our energies on the Brexit negotiations – there is vital action to be taken at home too.

What

will be determined in the next two years is not just our relationship with the EU, but the kind of economy – and country – we want to live in.

A

bad Brexit deal risks exacerbating existing weaknesses in our economy – low investment, low productivity, low pay.

We

will be letting the country down if we don't seize on this period of change to tackle those weaknesses at their root causes by working together to give shape to a new economic model that will create a fairer, richer Britain for all.

I believe we share a great deal of common ground over how this should be done.

Again, I echo Carolyn; if we are to raise wages and living standards we must solve our productivity crisis.

And it is a crisis.

It continues to take a worker in Britain five days to produce what a worker in France or Germany produces in four.

If the OBR decides that our recent dismal productivity performance is not an aberration but the new normal, and revises down their projections when they report to Parliament later this month it will take a huge toll on our public finances – as the Institute for Fiscal Studies has pointed out.

It couldn't be clearer: our productivity crisis is making our country poorer.

The answer to our productivity crisis lies in investment, in infrastructure, in new technologies and in people.

Business investment is being held back by creaking infrastructure and a shortage of skilled workers. So Government must act first.

Yet under the Conservatives, crucial infrastructure investment has been delayed – from rail electrification to the Swansea Tidal Lagoon; the adult skills budget has been slashed. They even went into the election promising to cut per pupil schools funding in real terms.

The Chancellor should use his Autumn Budget to change direction, and invest for long-term growth.

That is what Labour has already pledged to do.

With

a National Transformation Fund to upgrade our country's infrastructure and reverse years of under-investment in the regions; investing in transport, energy and digital infrastructure right across the country.

We

will establish a National Investment Bank with a network of regional development banks that will provide patient finance for firms wanting to adopt and implement existing innovations and to develop new ones. We are a very creative country.

And

we'll build a National Education Service to ensure that, when businesses create skilled jobs, there are people able to fill them. And when businesses adopt new technologies, there are employees who know how to use them.

These

policies will help create the conditions businesses need to invest... but they will only deliver the improvements our economy needs if they are backed up by a bold industrial strategy.

Again,

this Government is failing to act. We have heard a lot of warm words on industrial strategy, but we are still waiting to hear how they will take it forward.

Labour's

industrial strategy, built on national missions – for energy transition and to increase R&D spending to 3 per cent of GDP by 2030 – will lay down the challenges to business, and provide the foundations on which they can be met.

We

will invest £1.3bn on R&D in our first two years in Government, to galvanise private investment, set up two new catapult centres for retail and metals, centres of collaboration and innovation, to drive productivity improvement and harness the £200bn spent by the public sector each year to boost local economies and supply chains, to bring prosperity to every region of the country.

This

is how we deliver properly funded public services in the long run, and ensure everyone earns enough to live on.

If

we get this right, it is not just our economy that will be stronger, but our political institutions and our social bonds as well.

We will, as you know, raise some taxes to pay for it, to ensure that our spending plans fit within the constraints of our fiscal credibility rule.

But when we do, we will be clear and open about our tax plans, as we were during the general election campaign. We won't do it by stealth.

And we will seek to improve the functioning of business taxation wherever possible by uprating business rates in line with CPI instead of RPI, moving to annual revaluations, and exempting new plant and machinery and by looking at staggering tax incentives for investment and innovation.

We will do this because a fair and functional taxation system is the only way to deliver the investment in infrastructure and skills that are so desperately needed across the country.

I'm sure everyone here will agree, providing good infrastructure and education is what responsible governments do.

And it's not just government that has a duty to be responsible, business does too. From ensuring their suppliers, often small businesses, are paid promptly, to ensuring they pay their taxes in full too.

The shocking revelations from the Paradise Papers today, yet again of widespread tax avoidance and evasion on an industrial scale must lead to decisive action and real change.

It is by no means all big businesses but these actions by a few undermine trust in all businesses.

And businesses are the victim too, not just reputationally but financially.

Those businesses that play by the rules and pay the taxes they owe are being undercut by those who don't.

The vital revenues government needs to fund an industrial strategy, good infrastructure and the world class education system we aspire to; these things can only be

delivered by fair taxation.

So
while we mustn't tarnish all businesses by the actions of the few, we also
have
a duty to come down hard on those who are avoiding the responsibilities and
give HM Revenue & Customs the resources it needs.

As
our Shadow Chancellor John McDonnell has set out this morning, we need a full
public inquiry into tax avoidance and evasion, on and offshore, a
register of companies and trusts, and who benefits from them, and a new
tax enforcement unit in HMRC and an end to public contracts for companies
abusing the system.

And
we will look at using a withholding tax where individuals or companies are
involved in abusing the system and end public contracts for companies engaged
in abusive tax avoidance.

Please understand the public anger and consternation at
the scale of tax avoidance revealed yet again today. We are talking about
tens
of billions that are effectively being leached from our vital public services
by a super-rich elite that holds the taxation system and the rest of us in
contempt. We must take action now to put an end to this socially damaging and
extortionately costly scandal.

And
there's another area where we all have a duty to act – and act now.

Faced
with the ongoing revelations about sexual harassment we should make this a
turning point and a moment of real change. We must no longer allow anyone to
be
abused in the workplace.

Such
abuse, sexism and misogyny is, sadly, very far from being confined to
Hollywood
and the corridors of power, but is also widespread in our schools and
universities, in our businesses and workplaces, in our newspapers and on our
TV
screens. It is all around us.

That
must change and business has an essential role to play. All of you need to
look
hard at yourselves, as we in the Labour Party are doing ourselves, to see how
your processes and procedures can be improved. How it can be made easier for
women to speak out and for victims to get the support they have a right to
expect.

Businesses

can have a vital partner in rooting out injustice in the workplace – trade unions. They are crucial to taking on and rooting out sexual harassment and discrimination. And I would encourage each and every business serious about improving your workplace culture and tackling sexual discrimination at work to engage with trade unions.

Governments

also have other responsibilities – enforcing a fair and transparent regulatory framework so that, for example, businesses aren't destroyed by the likes of RBS abusing their power, providing for the health of our citizens and, yes, in some cases, running essential public utilities.

Because

every one of you in this room who knows what goes into seeing an idea brought to market or what it takes to survive the cut and thrust of consumer choice month to month, knows that privatised monopoly utilities are not real markets.

Where's the pressure for efficiency and innovation if consumers cannot go elsewhere when they are dissatisfied?

I

know some of you disagree and think that bringing some parts of the economy into public ownership won't be good for the reputation of business, but it's not good for the image of business when water companies pay out billions in dividend and interest payments through opaque financial arrangements, while households see their bills go up to pay for it.

It's

not good for business people if their employees have to spend huge amounts of time and money getting to and from work each day on expensive and unreliable services.

It

is not good for manufacturers to have among the most expensive energy in Europe, or see energy transition held back because the necessary investments to transform our energy grid are not being made.

And,

just as it wouldn't be good for business to be locked into inefficient funding arrangements that don't provide finance on the best terms available, or inflexible contracts that don't adapt to your needs, nor is it good for the public.

That's

why we will end the Private Finance Initiative – because PFI contracts have

over-charged the public to the tune of billions.

You
wouldn't put up with it and neither will we.

But
we won't let ending PFI hold up vital infrastructure investment. We'll end it to make sure that investment happens in a way that gives best value for money for the public, and in a way that better meets user needs.

This
isn't about being anti-business, anti-enterprise, or about closing ourselves off to the rest of the world.

It
is about deciding to attract business from across the world by creating world-class infrastructure that is efficiently funded, cheap and reliable energy, safe and efficient water and transport systems and a skilled and educated population.

Not
by allowing a select few to make monopoly profits from our essential utilities.

This
isn't a throwback to a bygone era; it's entirely in step with what is happening in the rest of the world. Some of the world's biggest economies – Germany, France, even the United States are deciding that key sectors such as energy and water are better off in public ownership. It's time for Britain to catch up.

Building
an economy for the many will mean making some big changes.

But
it will also mean an economy that is stronger, fairer and more stable and business people know more than anyone how important that is.

Common
ground on Brexit, common ground on investment, training and industrial strategy and a government that embraces its responsibilities and carries them out for the common good.

That's
what Labour offers you. That's what Labour offers Britain.

Thank
you.

Ends