

Peter Dowd speech at the close of tonight's Budget debates

Peter Dowd MP, Labour's Shadow

Chief Secretary to the Treasury, speaking at the close of the Budget debates tonight, said:

Mr Speaker, last week the Chancellor painted a rosy picture of the nation's finances.

He claimed the Conservative Party's stewardship had been nothing short of miraculous.

A relaxed Chancellor attempted jokes throughout his speech.

The Prime Minister's shoulders shook with amusement.

Many members opposite chuckled away.

Some of the more experienced Members opposite were watching cautiously, as the nose dive gained velocity.

The Chancellor got it wrong – big time.

Within hours he was attacked by many of his own backbenchers.

He was left hung out to dry by the Prime Minister.

Unsurprisingly, he has faced universal criticism over his plans to raise national insurance to 11 per cent for millions of people who are self-employed.

As Sir Michael Caine, playing the character of Charlie Crooker in the iconic Italian Job movie said to his bumbling side kick.

“You're only supposed to blow the doors off!”

Well, the debris from the explosion is still in descending.

A manifesto pledge broken – pure and simple.

And since last Wednesday No.10 and No. 11 have been in a briefing war with each trying to blame the other for the fine mess.

Ostensibly, No.10 suggests the Chancellor sneaked the NI rise into the Budget.

Apparently, other shocked Cabinet colleagues have indicated that he failed to mention, that it would break their manifesto pledge.

It's worrying, Mr Speaker, that Cabinet Ministers don't know what manifesto commitments they made or perhaps they don't care?

Then again the Government has an insouciant attitude towards its manifesto commitments.

First, the Government committed to getting rid of the deficit by 2015 – a promise broken.

Second, they said it would be pushed back to 2019/20 – another broken promise.

Third, they vowed the debt would start to come down after 2015 – another broken promise.

The Government will have virtually doubled the debt and doubled the time they'll have taken to get it down.

And this is what they call success and fiscal credibility?

They seem to think that they can simply press the reset button when it comes to meeting their own fiscal rules and no one will notice.

The flip side of John Maynard Keynes' approach, namely when I change my mind the facts change with it.

When the Government's misses a deadline it's modus operandi is to set a new one and brazenly move on.

The immutable Tory law of economics – make it up as you go along.

What happened to the long term economic plan?

Well, it didn't last very long? Mr
Speaker

The Prime Minister and the
Chancellor have their finger prints all over every single financial decision
that has been made during the last seven years.

It's no surprise that
they have come under criticism from many in their own party including the
former Member for Witney.

Or the former Chancellor, Lord
Lamont, who called the NI debacle a "rookie error".

Otherwise known, in the real
world, as gross incompetence.

But regrettably it's other people
who will pay the price for that incompetence.

Mr Speaker, turning to Brexit,
I'll mention it even if the Chancellor doesn't, it's the tenth anniversary
since the production of

"Freeing Britain to Compete: Equipping the UK for
Globalisation"

This
publication was a wide ranging policy document authored by the right
honourable Member for Wokingham and friends.

It was endorsed by the then Shadow
Cabinet which included the current incumbents at numbers 10 and 11 Downing
Street.

The publication was hard to track
down as it has been removed from the Conservative Party website and for good
reason.

But I found a copy.

Its contents were toxic and all
the more so in the wake of the subsequent global financial crisis and remain
so.

But in the light of Brexit, and
the resurgence of the honourable member for Wokingham's influence, it will
soon
be getting a second run out.

Mr Speaker, it is worth appraising
the House of a few of the nuggets contained in its pages.

It includes policies such as the abolition of inheritance tax.

Charging foreign lorries to use British roads.

The potential abolition of the BBC licence fee, which it refers to as a poll tax.

The watering down of money laundering regulations.

The deregulation of mortgage finance.

Because it's the:

"lending institutions rather than the client taking the risk."

Try telling that to someone whose house has been repossessed.

It goes on:

"we need to make it more difficult for ministers to regulate, and we need to give the critics of regulation more opportunity to make their case against specific new proposals."

Remember this document, dated August 2007, was rubber stamped by the current Prime Minister and Chancellor at the same time Northern Rock was about to go under.

It continues:

"the Government (the Labour Government) claims that this regulation is all necessary. They seem to believe that without it banks could steal our money."

That is not quite the case but the taxpayer, at its peak, had liabilities for the banking crisis of £1.2 trillion.

But, Mr Speaker, many people did believe the banks were stealing their money.

It refers to wanting:

"reliably low inflation, taking no risks by turning fiscal rules into flexible friends."

As for Europe, in search
of jobs and prosperity, it says:

“An incoming Conservative
Government should go to Brussels with proposals to deregulate the whole EU...”

No wonder they wanted to bury the
evidence.

It's the autobiography of the hard
line Brexiteers.

It's the Tory blue print for a
post Brexit deregulated Britain.

It's a race to the bottom.

These policies are a telling
narrative of the views of the fundamentalist wing of the Conservative Party.

The Prime Minister is a hostage to
the far right of the Tory Party.

She is on the hook.

The stage directions are coming
from Wokingham, Haltemprice and Howden, North Somerset and Chingford and Wood
Green with occasional guest appearances by the Foreign Secretary.

The forlorn, melancholic
Chancellor is briefed against because he may just have a less hard-line
outlook
as far as Brexit is concerned.

These are the dusted off policies
of the hard Brexiteers who will stop at
nothing until Britain becomes a low wage, low tax, low regulation economy.

They want to turn our country into
the bargain basement of the western world.

They have the Prime
Minister in tow.

Parliamentary scrutiny is a
hindrance.

Meanwhile, the Prime Minister has
put Kamikaze pilots in the cockpit.

The Chancellor knows this too well and that is why
reportedly he is putting aside £60 billion, equivalent to a year's worth of
borrowing on the national debt to cope with the trauma.

It's not Brexit proofing the economy but rather proofing the economy from the toxic ideology of the hard Brexiteers.

Mr Speaker, ultimately, it comes down to choices and values.

The Government's choices in this Budget are informed by their values and they are not the same as the vast majority of people in this country.

The Government propose to increase Insurance Premium Tax from 10 per cent to 12 per cent, a regressive measure which will be a further hit on household finances and act as a deterrent to families wanting to obtain proper insurance cover.

It was a surprise to see this measure in the Autumn Statement, coming as it did from a government which constantly uses the high cost of insurance premiums as an excuse for curbs on victims' right to claim compensation for their losses, with particularly damaging effects for those injured in accidents at work.

We will oppose this rise.

And while the Government drives up insurance price for millions of families, it has chosen to forego £73 billion of revenue to give corporations and the wealthy few tax handouts between now and 2021.

A choice we would not make.

Their choice is informed by the value they put on elites and corporations, many of whom readily avoid paying their fair share of tax.

They plan to loosen the rules on the Business Investment Relief, increasing the scope for non-doms to avoid tax when they bring funds into the UK.

This is straightforwardly a giveaway to non-doms, which we will oppose.

There is little evidence that this relief has had a significant impact on inward investment since it was first introduced in 2012.

And there is little genuine reason to believe that expanding the relief now will do anything but give non-doms even more advantages over millions of UK taxpayers.

These and other tax cuts for elites and corporations come off the backs of public sector employees who have foregone pay rises for years.

Or those in the private sector whose wages and salaries remain in the doldrums and will for another decade or more.

Or the self-employed who are increasingly driving our economy who will see an increase to 11 per cent in National Insurance contributions.

We would make a different choice. We reject the kick in the teeth to self-employed people.

Not only does it hit many on low to middle income but will it raise anywhere near the £2 billion the Treasury projects?

It may also deter many people from setting up their own businesses, from innovating and excelling.

It's a moratorium on aspiration.

We would choose not to give tax breaks to those who do not need them.

Mr Speaker, in this Budget the Government claims it's giving lower and middle earners, the NHS, social care agencies, the self-employed, schools, businesses, pubs, the strivers, the entrepreneurs the thumbs up.

Mr Speaker, in practice, this Budget is not giving a thumbs up to all those people.

On the contrary, it's two other digits being put up to those people.

That's another choice that Labour would not make.