<u>Peter Dowd speech at the close of</u> <u>tonight's Budget debates</u>

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 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. Ιt 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.

The government must produce an

International Trade White Paper and give urgent clarity what their plans are for our future international trade <u>– Barry Gardiner</u>

Barry Gardiner MP,

Shadow Secretary of State for International Trade, commenting on this week's inaugural Commonwealth Trade Ministers meeting said:

"The

Commonwealth Trade Ministers meeting further demonstrates that the government is actively holding discussions with potential trading partners on our future trading relations. Although the government has told us their plan for Brexit, they have not presented to Parliament and the British people what their plan is for international trade. We've been promised an 'independent trade policy' from the Secretary of State for International Trade, however, this has not been disclosed.

"The

government must produce an International Trade White Paper and give urgent clarity what their plans are for our future international trade, outlining negotiating principles and trade policy objectives.

"To this end,

I have written to the Secretary of State for International Trade calling for him to urgently publish an International Trade White Paper and to address key unanswered questions about the government's international trade policy."

Banning bots is a welcome announcement that is long overdue, but a single fix won't solve the problems of the broken ticket market – Tom Watson

Tom Watson MP, Labour's Shadow Secretary of State for culture, media and sport, commenting on the announcement on banning bots in ticketing, said: "Banning bots is a welcome announcement that is long overdue, but a single fix won't solve the problems of the broken ticket market.

"The package of measures needs to focus on tougher enforcement of existing regulation to stop big ticket companies flouting the rules without suffering any consequences. "This is a significant development in the long running battle to ensure fairness for fans but we'll keep campaigning for the comprehensive set of measures needed to finally end the big ticket rip off."

<u>John McDonnell – speech to Labour</u> <u>economic conference, Glasgow –</u> <u>Saturday 11 March 2017</u>

*** CHECK AGAINST DELIVERY***

Ι want to thank you for coming today. It's been great to see the enthusiasm across the country for these conferences. There's a huge thirst for ideas and for discussion about how we can turn our economy round. But at the heart of our discussions is something fundamental. Adam Smith, who taught, as you know, right here in Glasgow, once called economics "moral science". He meant that, yes, the economy obeys laws -But that it was also about the kind of society we live in. That economics is fundamentally about values.

That when we think about the kind of economy we want, we must always think about the kind of values we hold for our society. 0ur values are these: We believe in a fair tax system where everybody, no matter how rich and powerful, pay their way. We believe that - through a fair tax system and collective endeavour - the elderly and disabled should be cared for and the sick be treated. And children educated to fulfil talents to full. The Chancellor presented his Budget statement earlier in the week. The contrast between what the Labour Party and the labour movement stand for could not be clearer. What I saw, sitting opposite him, was a Conservative Chancellor boasting about tax cuts to the corporations and the rich whilst refusing to effectively tackle the crisis in social care for the elderly refusing to properly fund the NHS and increasing the national insurance burden on many middle and low self-employed earners. And at the same time breaking a clear manifesto promise that the Conservatives would not increase National Insurance. Labour opposed the tax hike from the start.

Chancellor's decision to push a £2bn tax rise on low and middle-earner self-employed made little sense.

The

The justification offered by the government does not stand up. You can't simply demand more taxes off people without offering something in return. This week we saw the Government effectively blaming self-employed people for the dysfunctional labour market. There wasn't a package of measures designed to address the problems of the modern world of work. T+ was a single unilateral tax hike for all self-employed people earning over eight thousand pounds. It's a single hike of £2 billion pounds targeted at the self-employed taking place at the same time as the Tories are slashing taxes for giant corporations. They're making the minicab driver pay more, but the company she works for pay less. And that minicab driver will still not enjoy the protections of a full-time contract. Α hairdresser earning fifteen thousand pounds a year will be £139 pounds worse off as a result of yesterday's measures. Some have tried to portray yesterday's announcement as progressive. But what's progressive about raising taxes for low-paid drivers, while the Government goes ahead with cuts to capital gains tax for a tiny few? What's progressive about raising taxes for low-paid self-employed cleaners, while the wealthiest families in the country get a cut in their inheritance tax? What's progressive about raising taxes for plumbers, while multinational corporations see their tax bills slashed year after year? What's not fair is £70 billion pounds of tax giveaways for the wealthiest and

corporations, while hiking taxes on middle and low earnings. That's not fair. That's not progressive. That's just not right. Meanwhile the Government's incremental reforms to business rates fall far short of the radical long-term reform needed. They are trying a delaying tactic, but business rates are a ticking time bomb threatening to destroy many town centres. Now Labour recognise that the labour market is changing. Some of this can be welcome. Self-employment can give people the flexibility at work that a more conventional contract miaht not. Changes in technology have opened up new scope for interesting and fulfilling work for some. But let's not romanticise this. Bogus self-employment is a real and growing problem. Ιt means workers going without the protections that the appropriate labour contract can give. Ιt means workers forced into more insecure work, for less pay - and employers ducking their own requirements to pay National Insurance. Ι want to pay tribute to the campaigning work put in by our unions to bring employers to heel. Scottish TUC are running an excellent campaign, "Better than Zero", against zero hours contracts. The challenge for the next Labour government and the whole labour movement will be

in securing the balance between the best possible protections for those in work _ And recognising that the world of work itself is changing. The labour movement has risen to challenges like this in the past. It was born out of the struggle for decent pay and conditions when new technologies were ripping up existing ways of working. We need that same spirit and vision again. So I'll be convening a summit next month of unions, the self-employed, and small businesses to develop Labour's policy on self-employment. We want to win the widest possible support for a radical, Labour vision of how to adapt to a changing world. We are the party of workers and small businesses. That is the message we should carry to every part of the country. And we face a government of the giant corporations and tax avoiders. This week's Budget made that only too clear where their priorities lie. Labour will make different choices when we return to government. For now, we'll keep the pressure up on the Tories. Theresa May has already had to buckle - the tax hike will now not be enacted until the Autumn.

But the Chancellor was silent on the greatest challenge facing this country. The word "Brexit" never passed his lips once during the speech. As Britain prepares to begin the process of leaving the European Union, the Chancellor had nothing to say on the matter. Не kept silent because he does not agree with the position of his own government. The Prime Minister claims no deal is better than a bad deal. But this is absurd - no deal would be the worst possible deal. The Chancellor knows very well that this is the case. He's been warned about it from all sides. Crashing out of the EU means we will be cut off from investment. We will be cut off from our biggest trading partner. We will be cut off from the skills and contribution that EU nationals have made to our economy and society. The government has yet to even offer guarantees for those EU migrants already living and working here. Ιt was Labour's amendment in the Lords that demanded the government offer a guarantee. We defeated the government then and we will be fighting the case on Monday. It is essential these guarantees are given to the three million people from the EU now living and working here.

Instead this government seems to think they can treat people as bargaining chips apparently forgetting that 1.5 million UK citizens live and work in the rest of the EU. The Brexit vote creates huge challenges for all of us. It has brought some of the fault-lines in our society to the fore. It's forcing us to think about what kind of society we want to live in. Because the status quo is no longer an option. But the challenge now for all parties, including the Labour Party, is to present an alternative. The Tories have already offered theirs. Ιt is a dystopian vision of Britain as a bargain basement tax haven off the shores of Europe. 0f poverty pay and misery for the majority - but a fabulously wealthy elite at the top. Ι do not believe that those who voted Leave voted for this -Ouite the opposite, many believed that our public services would get more resources, not fewer. The hardliners are pushing for this. They want Brexit to be the culmination of decades of free market dogma.

0f the belief that the only relationships that matter are market relationships. And that if you just let markets rip, and let the wealthy do as they please, wealth will trickle down. It's the belief that the institutions we rely and the relationships we build are barriers to efficiency. And that if we leave everything to the market alone, the result will be a flourishing of entrepreneurship and growth. Nearly forty years since the free market experiment began, we can assess the results. And they are abysmal. We have a society that is amongst the most unequal in the developed world. Too much wealth is held by too few hands. Following these free market prescriptions have left Britain with a crumbling infrastructure, businesses that don't feel able to invest, and productivity growth that has slumped. Here in deregulated Britain, it takes a typical worker five days to produce what a worker in regulated France or Germany can produce in four. And that gap is getting wider. It matters because without growth in productivity, sustained improvements in living standards will not be possible. The slump in productivity is the major reason we are now looking at the truly grim forecasts for real wages. Britain has the unique distinction of being the only large, developed economy where when growth returned after the financial crisis, real wages fell. We have growth. But that doesn't mean most people are any better off.

Resolution Foundation expects real wages to not recover their 2007 level before 2022. This 15-year period without a pay rise is unprecedented, they say, in 210 years. For as long as industrial capitalism has existed in Britain, we haven't seen a period like this. Ιt is unprecedented. And everything the Tories are doing today is simply exacerbating the problem. The Budget shambles revealed this. Nearly a decade after the financial crisis they do not have a clue about how to deal with its consequences. Thev are continuing to pursue austerity - despite all the evidence, now clear from across the globe, that it has been a disaster for those countries that pursued it. So we have to now develop our alternative, and win the argument for a radically different approach. We need to be far bolder in our ambitions for the constitution. I've spoken of the possibilities of a more radically federal structure for the UK. Not just devolution here in Scotland, or in Wales. But devolution to the English regions, too. And a revival of local democracy everywhere. If they shared little else, both the independence referendum and the EU referendum

revealed a healthy scepticism about centralisation. There is a deep and growing distrust of authority. Powerful institutions are seen as distant, unaccountable, and undemocratic. Because if we're repatriating powers from Brussels, why simply hand them back to Westminster? And then why stop at the existing devolved institutions? There is no reason why English counties and regions should not enjoy significantly greater freedoms. Labour won all four metro mayoral elections in England last year, and we'll be fighting for victories in this year's elections. But we need to go further. Tt's not just about the powers that government has. It's about getting wealth back into our communities. Too many people, in too many places, have been excluded from economic growth. That means taking a different view of how we own our societies' assets and wealth. For too long we have automatically turned to the private sector when new opportunities arise. Look at renewables. Two-thirds of the UK's existing electricity generation capacity will be decommissioned bv 2030. We need to move quickly to replace it.

It's renewable generation that can deliver. The UK is uniquely well-placed to exploit the opportunity. In Scotland you have already undergone something of a renewables revolution, which of course we should welcome. However, when it comes to who owns and profits from renewable energy the record here is, at best, patchy. It is good that there is some support through the Cares Scheme for community projects and that many local organisations have developed local renewable schemes. However, let's be honest - renewables in this country have become a new Klondike for bia multi-nationals. Indeed, for big projects the automatic propensity by Government is to seek private operators and private money to build and finance them; as shown by former First Minister Alex Salmond making such a big effort with the Qatari Government to sell renewable investment opportunities to them. This is a massive missed opportunity for public ownership and control of renewable energy in Scotland. We could have saw surpluses reinvested back into the public sector but instead we have saw profit floating to various boardrooms across the world. 0ther countries in Europe are racing ahead of us in installing new, clean renewable generation. Places like Denmark and Germany are doing it because they are fostering local and co-operative ownership of renewable energy. We could be aiming to create thousands of co-operatives delivering renewable energy. 0ur network of regional development banks will be charged with supplying the finance they need to overhaul our existing energy system.

This will sit alongside new local energy companies, supplying cheap, clean energy to their local areas and breaking the monopoly of the Big Six. We'll be giving power back to the people and letting local communities take control of their own power supply. We know there are huge advantages to community ownership. Research shows that for every single megawatt of community-owned microhydro installed, 10 full-time equivalent jobs are created. That is delivering a real boost to some otherwise isolated rural communities, securing jobs and incomes where otherwise there was little. So the next Labour government will create a "Right to Own". We'll give workers in a company facing a change of ownership first refusal on presenting their own, worker-owned takeover plan. 0ur new regional development banks will support worker-owned businesses across the country. We'll aim to double the size of our co-operative sector, so it matches Germany or the US. But I think the same principle has to apply to our communities. The next Labour government will take this new approach. It's an approach that means bringing together those parts of our society where co-operation and trust are fostered. For those on the left, that was a traditional argument for the Union.

The UK state could be a powerful mechanism to redistribute and create a fairer society. That by pooling our resources through taxation, we can make sure that those who are better off can support those who are not. It means, in theory, we can deliver the same high quality public services across the whole country. The National Health Service is the embodiment of this principle. And by creating UK-wide institutions we tie our societies together. The economy is always supported and sustained by a dense web of culture and institutions. That's one reason the Tories' austerity measures are so criminally destructive -Tt's not just that public services are being slowly ground into the dirt. Tt's that the fabric of social life itself starts to become frayed. The institutions we rely on - from the local council to the health service to our schools - aren't only there to provide a service. We're not mere consumers of education or healthcare. How we educate our young people and how we look after those who are sick define us as a society. They tie us together as a collective. This is the principle behind taxation. Ι raised the issue, before the Budget, of making public the tax returns of those

who earn over a million pounds a year. It's an anti-avoidance measure, inspired by the example of Norway and Sweden. Public disclosure makes it extremely difficult for those who intent on avoiding their taxes to do so. It's a major reason Norway has one of the lowest rates of tax avoidance in the world. But I think it's about more than this. It's about shifting our culture. If you are rich - and if you earn over a million pounds a year, you are in not even the top 1%, but the top 0.1% – If you are lucky enough to be that wealthy, and to pay the taxes that are due, your contribution to society matters. We all want a society that is fair, and seen to be fair. So we in the labour movement are against the dogma from the Tories that views society as a war of all against all. We don't believe, as Margaret Thatcher said, "that there is no such thing as society". We don't believe that you can undermine the institutions that make up the fabric of our social life -Whether they are the NHS, or local councils, or schools -With year after year of cuts.

We stand for a totally different vision. It's a vision rooted in our values. It's a vision of a more caring society where opportunities are available to all. "Secure people take risks," as the Cambridge economist Ha Joon Chang put it. А caring society is one that is also able to take risks - to take on great social challenges. 0r to allow individuals to strike out, to be entrepreneurial -То invent, and create, and challenge convention. Those who are live in fear of unemployment. 0r of what will happen if they grow sick. 0r how they will educate their children. 0r what will happen when they grow old. People who are consumed by these fears - all understandable - will not take those risks. This used to be the privilege of great wealth -That only those with the wealth to do so can afford to innovate. But we don't have to run a society like this. Technology has hugely reduced the barriers against those seeking to establish new businesses. We

have built strong institutions that foster co-operation. And new technology lets us build new ways of working together, like Platform Co-operatives. This is the immense, shared wealth that our society has built up. If we are to face Brexit with confidence, it is the wealth that we must draw on. We will need a radically different vision of how society can operate. We know the world is changing, rapidly -The balance of power and wealth is shifting. Factory wages in China now match those in Greece, and are approaching those in Portugal. 0ur country's position in the world is changing. We can't rely on a single sector to drag the whole economy along - as we relied on financial services too heavily before the crash. And we can't think again that concentrating resources and wealth in a few hands in a single city is good for the rest of us. Τt can't be right that London gets half of all the transport investment in the country. And unlike the SNP vision that was for a prosperity built on low taxes for big business, and an over reliance of oil and bank profits, and austerity for everyone else. We must build new institutions, and spread the wealth of our society more fairly. We'll bring in a £10 an hour Real Living Wage, so work always pays properly.

We'll deliver investment in jobs and skills across the whole country. 0ur National Investment Bank and network of regional banks will support prosperity in every region and nation. Τ think we can look to our neighbours and see how our society has a huge potential that can be brought out. We could look to countries like Denmark, Sweden and Norway. For example, look at Norway where the best public services in the world are matched by the highest wages. Across these nations you see that measures such as tax transparency at the top, affordable child care, and greater equality are the accepted norm. We don't have to settle for second-rate. We can radically decentralise this country -Put power back in the hands of workers, small businesses and communities. Bring the investment needed to redistribute wealth across every part of this island. Labour would seek a prosperity based on solidarity and fellowship between the nations of these isles, and those who share our values in Europe. We will be part of a new Arc of Prosperity - a radically fairer, more equal, and more prosperous society.

The Justice Secretary needs to clearly set out what action her department took in response to that 2015 inspection and why it has not worked – Burgon

Richard

Burgon MP, Labour's Shadow Justice Secretary, commenting on the fire at Guys Marsh prison, said:

"Two years ago the prisons inspector said this was 'a prison that was in crisis, where managers and staff had all but lost control.'

"The Justice Secretary needs to clearly set out what action her department took in response to that 2015 inspection and why it has not worked.

"Her Prisons and Courts bill does not remedy the crisis. Prisons need action on the ground not gestures from ministers."