

John McDonnell response to the Budget

John

McDonnell MP, Labour's Shadow Chancellor, responding to the Budget, said:

"This is a 'nothing has changed' Budget from an out-of-touch Government with no idea of the reality of people's lives and no plan to improve them.

"Philip Hammond has completely failed to recognise the scale of the emergency in our public services.

"Today's Budget has found no meaningful funding for our schools still facing their first real terms funding cuts since the mid-90s and nothing even approaching the scale needed to address the crisis in our NHS or local government.

"For all the fanfare on housing, today saw more tinkering in place of decisive action, with only one third of funding announced today genuinely new. The Chancellor announced no measures to directly increase house-building and, without that, lifting stamp duty for some will only drive up prices and benefit sellers, as the OBR have acknowledged.

"The Government's rollout of Universal Credit is causing real suffering in our communities. Today rather than the halt the botched rollout and fix the failing system, the Chancellor has put back £1 for every £10 cut from the system. Today all the Chancellor could offer those struggling with debt and rent arrears is further debt.

"Economic growth is the lowest it has been since the Tories came into office and today's Budget confirms that failure, with growth and wage forecasts revised down in every year of the forecast. If the Government cannot address the scale of the challenges facing our economy they should stand aside for a Labour government that will."

Jeremy Corbyn Budget 2017 response

Jeremy

Corbyn MP, Leader of the Labour Party,

responding to the Chancellor's Budget, said:

*****CHECK**

AGAINST DELIVERY***

Mr

Deputy Speaker, this Budget has been an advertisement for just how out-of-touch this Government is with the reality of people's lives.

Pay

is now lower for most people than it was in 2010 and wages are now falling again.

Economic

growth in the first three quarters of this year is the lowest since 2009 and the slowest of the major economies in the G7.

It's

a record of failure with a forecast of more. Economic growth has been revised down. Productivity growth has been revised down. Business investment revised down.

People's

wages and living standards revised down. What sort of "strong economy, fit for the future" is that?

The

deficit was due to be eradicated by 2015, then 2016, then 2017, then 2020 and now 2025. They're missing their major targets but the failed and damaging policy of austerity remains.

The

number of people sleeping rough has doubled since 2010 and 120,000 children will spend this Christmas in temporary accommodation. In some parts of the country life expectancy is actually starting to fall.

The

last Labour government lifted a million children out of poverty. Under this Government an extra 1 million children will be plunged into poverty by the end of this Parliament. 1.9 million pensioners and one in six are living in poverty – the worst rate in Western Europe.

Falling

pay, slow growth, and rising poverty. This is what the Chancellor has the barefaced cheek to call a “strong economy”.

His

predecessor said they would put the burden on “those with the broadest shoulders”. How has that turned out?

The

poorest tenth of households will lose about 10 per cent of their income by 2022

while the richest will lose just 1 per cent.

So

much for “tackling burning injustices”. This Government is tossing fuel on the fire.

Personal

debt levels are rising and 8.3 million people are over-indebted. If he wants to

help people out of debt, he should back Labour’s policy for a Real Living Wage

of £10 per hour by 2020.

And

with working class young people now leaving university with £57,000 of debt – because this Government trebled tuition fees – this Government’s new policy to

win over young people is to keep fees at £9,250.

But

that is just one of a multitude of injustices presided over by this Government.

Another is Universal Credit, which Labour has called on ministers to pause and fix.

That’s

the view of this House. It’s the verdict of those on the frontline with evidence showing food bank use increases 30 per cent where Universal Credit is rolled out.

And

the benches opposite should listen to Martin’s experience, a full-time worker on the minimum wage, he says: “I get paid four weekly meaning that my pay date

is different each month”, because of that, under the UC system he was paid twice in a month and deemed to have earned too much so his UC was cut off. He goes on: “This led me into rent arrears and I had to use a food bank for the first time in my life”.

This

Chancellor's solution to a failing system causing more debt; is to offer a loan. And the six week wait, with 20 per cent waiting even longer, becomes a five week wait.

This

system has been run down by £3 billion cuts to Work Allowances, the two-child limit and the perverse 'rape clause' – and caused evictions because housing benefit isn't paid direct to the landlord.

So

I say to the Chancellor: put this broken system on hold, so it can be fixed, and keep a million more children out of poverty.

For

years we have had the rhetoric of a "long-term economic plan" that never meets its targets; when what all too many are experiencing is long-term economic pain.

And

the hardest hit are disabled people, single parents and women.

So

it is disappointing the Chancellor did not back the campaign of my Hon Friend for Brent Central, Dawn Butler, to end period poverty.

The

Conservative manifesto has now been shredded and some ministers opposite have since put forward decent proposals, several conspicuously borrowed from the Labour manifesto.

Let

me tell the Chancellor, as socialists we are happy to share.

The

Communities Secretary called for £50 billion of borrowing to invest in housebuilding. Presumably the Prime Minister slapped him down for wanting to "bankrupt Britain".

The

Health Secretary has said the pay cap is over but where is the money to fund a pay rise? The Chancellor hasn't been clear today, not for NHS workers nor for our police, firefighters, teachers or teaching assistants, bin collectors, tax collectors or our armed forces personnel.

Will

the Chancellor listen to Claire? She says, "My Mum works for the NHS. She goes above and beyond for her patients. Why does the Government think it's ok to under pay, over stress and underappreciate all that work?"

The NHS Chief Executive says “the budget for the NHS next year is well short of what is currently needed”.

The Health Secretary said in 2015 he would fund another 5,000 GPs, but in the last year we have 1,200 fewer GPs. We’ve lost community nurses. We’ve lost mental health nurses.

The Chancellor promised £10 billion in 2015 but delivered only £4.5 billion so we’ll wait for the small print on today’s announcement. It certainly falls well short of the £6 billion Labour would have delivered.

Over a million of our elderly aren’t receiving the care they need. Over £6 billion will have been cut from social care budgets by March next year.

Our schools will be 5 per cent worse off by 2019 despite the Conservative manifesto promising that no school would be worse off.

5,000 head teachers from 25 counties wrote to the Chancellor, saying “we are simply asking for the money that is being taken out of the system to be returned”.

Robert wrote to me saying, “As a senior science technician my pay has been reduced by over 30 per cent. I’ve seen massive cuts at my school. Good teachers and support staff leave”.

According to this Government, 5,000 head teachers are wrong. Robert is wrong. The IFS is wrong.

Councils are warning that services for vulnerable children are under more demand than ever, yet have a £2 billion shortfall. Local councils will have lost nearly 80 per cent in direct funding by 2020.

In reality, across the country this means women’s refuges closing, youth centres closing, libraries closing, museums closing.

But compassion can cost very little and just £10 million is needed to establish the

child funeral fund campaigned for by my hon friend for Swansea East, Carolyn Harris.

Under this Government there are 20,000 fewer police officers. And another 6,000 community support officers, and 11,000 Fire Service staff have been cut too.

Our communities cannot be kept safe on the cheap.

Tammy explains how this has affected her: "our police presence has been taken away meaning increasing crime. As a single parent I no longer feel safe in my own village, particularly after dark."

Mr Deputy Speaker, five and a half million workers earn less than the living wage, a million more than just five years ago.

And the Chancellor can't even see 1.4 million unemployed people.

There is a crisis of low pay and insecure work, affecting 1 in 4 women, and 1 in 6 men, a record 7.4 million people in working households in poverty.

If we want workers earning better pay, less dependent on in-work benefits, we need to strengthen trade unions. the most effective means to boost workers' pay.

Instead this Government weakened trade unions and introduced Employment Tribunal fees – now scrapped thanks to Unison's legal victory.

And Mr Deputy Speaker, why didn't the Chancellor take the opportunity to make two changes to control debt?

Firstly, to cap credit card debt so that nobody pays back more than they borrowed.

And secondly, to stop credit card companies increasing people's credit limit without their say so.

Debt is being racked up because this Government is weak on those who exploit people: the rail companies hiking fares above inflation year-on-year, the water

companies and the energy suppliers.

During the general election it promised an energy cap that would benefit “around 17 million families on standard variable tariffs”. But every bill tells millions of families the Government has broken its promise.

And with £10 billion in housing benefit going into the pockets of private landlords every year, housing is a key factor in driving up the welfare bill.

With this Government delivering the worst rate of housebuilding since the 1920s and a quarter of a million fewer council homes, any commitment is welcome.

But we’ve been here before. The Government promised 200,000 starter homes three years ago and not a single one has been built.

We need a large scale public house building programme, not this Government’s accounting tricks and empty promises.

We back the abolition of stamp duty for first-time buyers because it was another Labour policy at the election, not a Tory one.

It’s this Government’s continual preference for spin over substance that means, across this country, the words “Northern Powerhouse” and “Midlands Engine” are now met with derision.

Yorkshire and Humber gets only one-tenth of the transport investment per head given to London.

And Government figures show that every region in the north of England has seen a fall in spending on services since 2012.

The Midlands, East and West, is receiving less than 8 per cent of total transport infrastructure investment, compared with over 50 per cent going to London.

In the East and West Midlands 1 in 4 workers are paid less than the living wage. So much for the ‘Midlands Engine’.

Re-announced funding for the Transpennine rail route won’t cut it and today’s other

announcements won't redress the balance.

Combined

with counterproductive austerity, this lack of investment has consequences in sluggish growth and shrinking pay packets, and public investment has virtually halved.

Under

this Government, the UK has the lowest rate of public investment in the G7, but

it is now investing in driverless cars after months of road-testing back seat driving in government.

By

moving from RPI to CPI indexation on business rates the Chancellor has adopted

another Labour policy, but why don't they go further and adopt Labour's entire

business rates pledges including exempting plant and machinery and annual revaluation of business rates.

Nowhere

has that been more evident than over Brexit.

Following

round after round of fruitless Brexit negotiations the Brexit Secretary has been shunted out for the Prime Minister who has got no further.

Every

major business organisation has written to the Government telling them to pull

their finger out.

Businesses

are delaying investment decisions, but if this Government doesn't get its act together soon they will be taking relocation decisions.

Crashing

out with 'No deal' and turning Britain into a tin-pot tax haven will damage people's jobs and living standards, serving only a wealthy few.

It's

not as if this Government isn't doing its best to protect tax havens and their

clients in the meantime.

The

Paradise papers have again exposed how a super-rich elite is allowed to get away with dodging taxes.

This Government has opposed measure after measure in this House, and in the European Parliament, to clamp down on the tax havens that facilitate this outrageous leaching from the public purse.

Mr Deputy Speaker, too often it feels like there is one rule for the super-rich and another for the rest of us.

The horrors of Grenfell Tower were a reflection of a system that puts profits before people, that fails to listen to working class people.

In 2013 this Government received advice in a coroner's report that sprinklers should be fitted in all high rise buildings.

Today this government failed to fund the £1 billion investment needed to make homes safe. The Chancellor says councils should contact them, but Nottingham has, Westminster has, and they've been refused!

In a Parliament building scheduled to be retrofitted with sprinklers, to protect us, the message from this government to people living in high rise homes is: You matter less.

Our country is marked by growing inequality and injustice.

We were promised a revolutionary Budget. The reality is nothing has changed.

People were looking for help from this Budget, they have been let down.

Let down by a Government that like the economy they've presided over is weak and unstable and in need of urgent change.

They call this Budget, 'Fit for the Future'. The reality is this is a Government no longer fit for office.

Tomorrow's Budget needs to see a real change of direction – McDonnell

John McDonnell MP, Labour's Shadow Chancellor, speaking ahead of the Budget tomorrow, said:

"The Chancellor has already shown he doesn't live in the real world. That's why the Autumn Budget needs to be a real change of direction in economic policy.

"Instead of gimmicks such as driverless cars, or tricks to fiddle the figures just so Philip Hammond can pretend he is reaching his own targets, there must be a recognition of the emergency in our public services and an actual end to austerity.

"The Chancellor must also pause the roll out of Universal Credit, and have a complete reform. It won't be good enough just to reduce the number of weeks people are waiting, because we will still have families who won't be paid by Christmas and forced into poverty. We have already seen families faced with eviction due to this delay, so we need urgent action.

"Furthermore, this Budget cannot be one of empty promises and piecemeal measures. He must launch a full scale house-building programme and provide serious infrastructure funding across the whole country, as even his fellow Tory MPs have called for.

"The public sector pay cap must come to an end. We are the sixth richest country in the world and we cannot afford to have our dedicated public sector workers such as nurses, reliant on food-banks. The fact is that wages are not keeping up with prices, and many working families are struggling to make ends meet.

"If Philip Hammond can fund tax giveaways worth billions for the super-rich and big business, then he can properly fund our public services and public sector workers. Austerity is a political choice, not an economic necessity.

"If the Tories refuse to act, then they should step aside. The next Labour Government will provide the proper investment our country needs to build the high-wage, high-skilled economy of the future."

Labour urges Government to support re-

opening rail lines – Andy McDonald

Ahead of the Autumn Budget, Shadow Transport Secretary, Andy McDonald MP, is calling on the Government to match the Labour Party's commitment to boost investment in and expand the rail network by filling in the missing rail links.

Re-opening rail lines have local support, are positive for business and can boost areas of economic deprivation. They can also alleviate congestion, reduce social isolation and improve productivity.

Labour has identified the Skipton-Colne Rail line as one such high priority scheme that can help connect additional towns and cities and help to realise the benefits for the planned Crossrail for the North.

Andy McDonald MP, Labour's Shadow Transport Secretary, said:

"The social, economic and environmental case for expanding our rail network is clear, but the Tories have starved much of our country of the investment needed for our regions to reach their full potential.

"Under-investment in the regions is holding our economy back, particularly the absence of Northern East-West rail links, which is why there is such a strong case for reopening the line between Colne and Skipton and for greater investment throughout the country. The route is a vital link between East Lancashire and Yorkshire, and when completed would deliver 50 miles of electrified railway line from Leeds to Burnley.

"Reopening this line has the potential to be transformative for the area. It's exactly the type of scheme that needs exploring as part of a much more significant commitment to boost investment in the North and close regional funding divides."

Government must ring-fence mental health funding – Barbara Keeley MP

Barbara Keeley MP, Labour's Shadow Cabinet

Minister for Mental Health, commenting on remarks made to the Health Select Committee by the Children's Commissioner, Anne Longfield, and the CQC Chief Inspector of Mental Health Services, Dr Paul Lelliott, said:

"The scandal of children being turned away from mental health treatment because they don't meet thresholds of

mental ill health is a direct cause of the Tory Government's failure to protect mental health budgets.

"Even where children are able to access services, they can face unacceptably long delays: the CQC recently found some children waiting 18 months for treatment after referral.

"The Tory Government must ring-fence mental health funding in the upcoming Budget: anything less will prove that their pledges to make mental and physical health a priority are just empty words."