

# Theresa May should show some leadership and scrap these tax rises for low and middle earners – John McDonnell

**John McDonnell MP, Labour's Shadow Chancellor**, responding to Theresa May's announcement to delay the planned rise in National Insurance for the self-employed, announced in the Budget only yesterday, said:

"It just goes to show that the Tories can never be on the side of ordinary working families when they believe it is acceptable to go ahead with £70 billion worth of tax giveaways to those at the top, while introducing a £2 billion tax hike for low and middle earners.

"The fact the Prime Minister won't fully support her own Chancellor's Budget measure, and has been forced by Labour to row back on it just 24 hours after he delivered his speech in Parliament, shows the level of disarray that exists at the top of government.

"Labour have been clear from the moment they were announced that we will oppose these tax rises on low and middle earners, as we don't think it is a laughing matter, unlike Theresa May and Philip Hammond.

"What is even more alarming is that the Government didn't stop and think before announcing such a tax hike. It should have been obvious that they would need to consult first, or at least wait until after their review on self-employment had finish, before announcing such drastic changes.

"As a result millions of ordinary working families will have been made to worry, and will now be holding their breath until the Government makes up their mind.

"Theresa May should simply show some leadership, rather than this partial U-turn, and just scrap these tax rises for low and middle earners altogether."

Ends

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## Speech: PM statement at European Council Meeting : 9 March 2017

At this summit, we have shown once again how Britain will continue to play a leading role in Europe long after we have left the EU.

In particular, through our contribution to the challenge of managing mass migration; through our leadership in tackling organised crime and instability in the Western Balkans; and through the new and equal partnership that we want to build between the EU and an independent, self-governing, global Britain.

Allow me to say a few words on each.

### **Migration**

First, on migration, we have reviewed progress in implementing the action plan agreed at our last summit in Malta.

I have made clear that we must do more to tackle the vile people smuggling rings who profit from the migrants' misery.

As I have argued, we need a managed, controlled, and truly global approach – and that is exactly what this Council agreed.

We need to help ensure refugees claim asylum in the first safe country they reach, and help those countries support the refugees so they don't have to make the perilous journey to Europe.

And we need a better overall approach to managing economic migration – one which recognises that all countries have the right to control their borders.

### **Western Balkans**

Later this evening, we will begin our discussions on the Western Balkans.

I will make clear my concerns about the potential for increased instability in that region and the risks that presents to our collective security. I will call for the international community to therefore do more to tackle organised crime in the region, including by working more closely with our Western Balkans partners.

And in light of the alleged Montenegro coup plot, I will call for us to do more to counter destabilising Russian disinformation campaigns and raise the visibility of the Western commitment to this region.

And today I can announce that the UK will lead the way by hosting the 2018

Western Balkans Summit. In the run-up, this year we will enhance our security cooperation with our Western Balkans partners, including on serious and organised crime, anti-corruption and cyber security.

## **Brexit**

Finally turning to Brexit, our European partners have made clear to me that they want to get on with the negotiations. So do I.

It is time to get on with leaving the European Union and building the independent, self-governing, global Britain the British people have called for.

And so, as I have said, we will trigger Article 50 by the end of this month. This will be a defining moment for the UK as we begin the process of forging a new role for ourselves in the world – as a strong country with control over our borders and over our laws.

And as the Chancellor made clear yesterday, we will use this moment of change to build a stronger economy and a fairer society that works for ordinary working people by embracing genuine economic and social reform here at home.

Britain is leaving the European Union but we are not leaving Europe. A global Britain that stands tall in the world, will be a Britain that remains a good friend and ally to all our European partners.

## **Question**

You have said many times that you believe deeply that voters must be able to trust their politicians. Let me read you something if I may:

A Conservative government will not raise VAT, income tax or national insurance.

As you well know that appeared in the Conservative Manifesto in 2015, the basis upon which the voters elected a Tory Government. Will you admit that you have broken that promise to the public, and if you don't, don't you risk looking like other politicians who try to wriggle out of uncomfortable truths, those politicians that you yourself have criticised for doing just that?

## **Prime Minister**

We've been very clear, the government was very clear that when the tax lock legislation was passed that it related to the class 1 national insurance contributions. Now of course it's class 1 that covers 85% of workers. The legislation was clear that it was honouring the 2015 manifesto and no amendments or concerns were raised at the time.

But let me if I may just talk about the budget yesterday, because we did make some difficult decisions in the budget yesterday. But those decisions allowed

us to fund an ambitious new approach to technical education, to open more than 100 new free schools, and meet the growing demand for social care, as well as invest in the long term productivity of the economy. It did so whilst maintaining our commitment to balance the country's books.

The decision on national insurance was taken in the context of a rapidly changing labour market in which the number of people in self employment, often doing the same work as people employed more traditionally is rising rapidly. Indeed I understand that the Institute for Fiscal Studies earlier today has said it actually backed the rises to class 4 national insurance contributions paid by the self employed because they say that the current system distorts decisions, creates complexity and is unfair.

I think when you come to reforming tax, and yes, raising revenue to pay for skills, schools and social care, you need to ask yourself a number of things. First of all, is the money going on the right things? Well I've just listed hugely important investments that we are making such as technical education. You need to ask whether it is making the tax system more sustainable? What we see is, yes it is, because the shift towards self employment is eroding the tax base, it's making it harder to afford the public services on which ordinary working families depend. And this goes some way towards fixing that.

I think you need to ask, is it fair? I think it is fair to close the gap in contributions between two people doing the same work and using the same public services to make the same contribution to wider society.

I think the final question you ask is – is it progressive?

The changes that will be built through on mix, the class 2 and class 4 taken together, under those the lowest paid self employed workers will be better off and half the revenues raised will be paid by the best off, by the wealthiest.

And of course the change to national insurance will require legislation of its own, it won't be part of the Finance Bill, that's always what happens with national insurance changes and those elements of the package will be brought forward by the autumn, as I say making lower paid self employed workers better off and we will publish a paper which will explain the full effects of the changes to class 2 and class 4, along with some changes we plan to make on rights and protections for self employed workers including on issues like pension rights and parental rights and maternity pay.

If you just remember back, Laura, one of the first things I did as Prime Minister was to commission Matthew Taylor to review the rights and protections that were available to self employed workers and whether they should be enhanced and people will be able to look at the government paper when we produce it showing all our changes and take a judgement in the round.

Of course the Chancellor will be speaking, as will his ministers, to MPs, businesses and others to listen to the concerns. As I've said, this leaves lower paid self employed workers better off. It's accompanied by better rights for self employed workers, and it reforms the system of national

insurance, to make it simpler, to make it fairer and to make it more progressive.

### **Question**

Boris Johnson has called on you to channel Margaret Thatcher and make clear to our EU partners that a Brexit divorce would be unreasonable. Do you agree with the Foreign Secretary?

### **Prime Minister**

First of all, let me be very clear, there is only ever one Margaret Thatcher. If it comes to the issue of the comments of paying into the European Union, Boris is clear and I'm clear, when people voted on the 23rd of June for us to leave the European Union, they voted for us in the future not paying huge sums into the European Union every year. And of course when we leave the EU, that will be the case.

### **Question**

Back on the budget. You said that you felt that this was a matter for the legislation. [inaudible] What do you say to those people who feel short changed by this?

### **Prime Minister**

As I said in my earlier answer to Laura, when the tax lock legislation was put through which dealt with the various issues of taxation that were addressed in the manifesto, it was very clear that it related to class 1 national insurance, and that covers 85% of workers. So 85% of workers were covered that class 1 national insurance element of the tax lock and at the time it was made very clear that it was that legislation that was delivering on our manifesto commitment, and there were no amendments or concerns raised at the time.

### **Question**

Are you confident that you have US Trump support on the best deal for the UK in Brexit?

### **Prime Minister**

Well first of all when I was with President Trump, I was very pleased we were able to discuss the future relationship, of course on trading terms for the United Kingdom with the United States of America. He's keen that we enhance that trading relationship, as am I, and of course there are limits to what we can sign up to until we have actually left the European Union, but we are, as with other countries, able to start talking about the sort of arrangements that we can have in trading terms.

The point I made to President Trump, as I've made with my European colleagues is that it is in the interest of the UK for us to have a strong European

Union, a strong remaining 27 in the European Union, and I think that is important for us and the United States as well.

## **Question**

The Danish FM said that a post-Brexit trade deal could take up to 15 years – is he wrong? What makes you think it will actually be possible to do it within 2 years given we know that Michel Barnier is very against negotiating a parallel deal?

## **Prime Minister**

First of all, obviously the Treaty sets out that when a country is leaving the EU that the process which is Article 50 sets out for the withdrawal but also setting the framework for the future relationship actually should take the 2 years. And that is the timetable that we're working to and that's the timetable that the EU is working to. Yes, I am optimistic that we can achieve a good and comprehensive free trade deal with the EU.

Why am I optimistic about that? Because it's not just about what's in the UK's interests but also what is in the interests of the EU. And I think what we see in the comments and discussions I hear that increasingly as we look – obviously we haven't started the negotiations, we will start that when we trigger Article 50 by the end of this month – when we come to look at those negotiations what people will see is that the relationship between the UK and the EU of the future matters not just to the UK.

This isn't just what is good for the UK, but what is good for the EU as well. And I believe that that good free trade arrangement is in the interests of both sides of that negotiation.

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## **[News story: British military chief welcomes largest number of female Afghan officer graduates](#)**

Speaking today at a graduation ceremony for new Afghan officers at the Afghan National Army Officer Academy (ANAOA) in Kabul, Vice Chief of the Defence Staff, General Sir Gordon Messenger welcomed the increasing female participation in the Afghan security forces.

This year's class has the largest number of female graduates to date, with 23 officer cadets graduating today.

The ceremony took place the day after General Messenger, the MOD's Gender Champion, participated in International Women's Day events in Kabul,

including meeting with British Council and Embassy staff who work closely with the Afghan Government and Civil Society to create a better future for women and girls, including increasing awareness of gender issues in Afghanistan's security institutions.

This work includes supporting efforts to make the Afghan National Defence and Security Forces (ANDSF) a more attractive career choice for women, including improving accommodation arrangements for female ANAOA cadets. Training in the prevention of sexual violence in armed conflict is also provided to cadets as part of the Academy's programme.

Britain is also working to strengthen the role of women in the Afghan security forces through the training of future female leaders at ANAOA. The 23 graduates from the class of 2017 join the 57 female officers who have previously passed the intensive and sought after training. Today's ceremony also saw the Academy's total number of graduates going over 2000.

With Afghans in the lead for providing security throughout the country and training their next generation of future leaders, Britain is helping to 'mentor the mentors' at the ANAOA, where over 30 British personnel provide advice and assistance to Afghan trainers.

Vice Chief of the Defence Staff, General Sir Gordon Messenger said:

Today's largest ever female graduate class demonstrates the progress the Afghan security forces are making in allowing women to help defend their country.

Britain's enduring commitment to Afghanistan means we're helping them in this task, as well as offering broader support to Afghanistan's security institutions.

UK assistance at ANAOA is an important part of NATO's non-combat Resolute Support Mission, which trains, advises and assists Afghan security forces, building their capacity to provide security for the country.

Britain recently increased the number of personnel in Afghanistan, with 500 people now providing advice to Afghan instructors, developing the fledgling Afghan Air Force, advising Afghan security institutions and providing security as part of the Kabul Security Force.

As part of the UK's long term commitment to Afghanistan, Britain has pledged over £200million to support the ANDSF.

As Her Majesty The Queen today [unveiled](#) a Memorial in London recognising the contributions of the UK Armed Forces and all UK citizens who deployed in the Gulf region, Iraq and Afghanistan from 1990-2015, General Messenger on his visit laid a wreath at the Graves of the Fallen in Kabul.

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## Speech: “What I couldn’t have done was tell you their stories, the lives behind those numbers; the human cost of the fragile security situation.”

As co-lead for the Council’s visit to the Lake Chad Basin, I’d like to focus my remarks this morning on the security situation, and my colleagues, the other co-leads, will tackle the other two big themes of our visit, which is the humanitarian and the longer term and development root causes. But before I do so, I would like to thank, on behalf of all of us, the Governments of Cameroon, Chad, Niger and Nigeria, as well as the United Nations, for making this visit possible. And thank you to all Council members for making the most of the visit, and an ambitious programme, and for keeping up with it.

If I was talking to you about security in the Lake Chad Basin a week ago, I’d have spoken about statistics, the numbers, 20,000 people killed, 2.3 million currently displaced. What I couldn’t have done was tell you their stories, the lives behind those numbers; the human cost of the fragile security situation.

Last Friday, in Maroua, in northern Cameroon, with my colleagues I saw that cost in the eyes of a 15 year old boy whose village had been attacked by Boko Haram. He hid for days, before being interrogated and imprisoned by the authorities for two years on suspicion of being a member of Boko Haram. Most of his friends had already been killed.

I saw that cost in the eyes of a woman crying with her baby in her arms. I saw it in others who spoke of the murder of their husbands or sons, the kidnapping of their daughters, the burning of their homes. We heard from civil society how women were selling their bodies for sex just to eat.

All these people brought home the horrifying consequences of the chaos and insecurity wrought by Boko Haram. And I hope that together we brought some much needed focus to the suffering that has been neglected for too long.

And amid the horror, we also heard of the bravery and commitment of the people of the region as they try to bring stability and security back to the Lake Chad Basin.

We heard chapters from a success story on its way to completion. Stories from the Multi-National Joint Task Force of liberating twenty thousand hostages, successfully winning back territory that will act as future homes for the people of the region. But the story is not over. Security is not yet entrenched. It is fragile in too many places. Force commanders and generals outlined continued attacks; suicide bombings, IEDs are still far too common.

And Boko Haram's tactics are getting more barbaric – mothers turned into suicide bombers with infants strapped to them in addition to their bombs. Boko Haram are down, but they're not out. And make no mistake, their cruelty knows no bounds.

It was clear that international support remains vital for this fight. We visited Operation Barkhane Headquarters in N'djamena where we met French troops, and were joined by members of the British and American military. Together they are supporting the Multi-National Joint Task Force, as well the Nigerian military, through capacity building, training and intelligence sharing. We heard how further support was needed to enable better mobility and logistics in the fight.

Women's participation and protection was a constant theme throughout the visit, and it was clear that women must be more involved in efforts to tackle Boko Haram, and counter violent extremism, and build peace.

We also heard of the hundreds of Boko Haram defectors, including women and children. We made clear the need for compliance with international human rights and humanitarian law by all actors in tackling the scourge of Boko Haram. This is essential to prevent mistreatment, including of detainees; as well as to build confidence among communities and counter radicalisation.

Let me close with this final reflection. Only yesterday, here in New York, I met three inspirational young women from Chibok who were attending an International Women's Day event at the United Nations.

Far from being victims, far from being survivors, these women are now campaigners for education for women and girls in poverty. Despite everything that they had endured, despite being caught up in the hell unleashed by Boko Haram, they are determined to look to the future.

They showed what lies ahead. They showed a future possible when the fighting ends.

To achieve this reality, it's clear that there can be no military solution: only a comprehensive approach will bring stability and peace. And so let me reiterate that the United Kingdom will proudly stand side by side with the region, with the four governments that we visited, and with the affected people in this effort.

With that, let me now hand over to Fodé to focus on the root causes and longer term development.

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**[Speech: £625,000 for England's](#)**

# Economic Heartland to help shape its future transport priorities

It's a pleasure to join you this afternoon, at the end of a packed day of discussion on the future for England's Economic Heartland.

And how apt it is that we are meeting in Silverstone.

It reminds me of something I've been repeatedly telling my friends and family ever since I became a transport minister.

That transport can be fun.

In seriousness, it's great to see so many people here from a broad range of organisations.

Local Authorities, Highways England, Network Rail, National Infrastructure Commission and so many businesses from the supply chain that supports it all.

All here, and all demonstrating a commitment to improving this region's transport.

## **Significance of England's Economic Heartland**

It's entirely right that this region is getting the attention it deserves.

It contains some of the fastest growing cities in the UK; Oxford, Milton Keynes, Cambridge.

Over 175,000 businesses.

1.6 million jobs.

And three and a half million people.

It's a region of world-leading universities.

And I am delighted that this region is gaining a reputation as a centre of excellence for the science, technology and innovation of transport.

As part of the government's Intelligent Mobility Fund, Milton Keynes is trialling autonomous vehicles that will revolutionise travel.

Yet none of this success can be taken for granted.

Many of you will have seen the National Infrastructure Commission's interim report which came out in the autumn.

The report highlighted the housing and connectivity challenges your area faces.

This region has some of the most expensive housing of anywhere in the UK outside London – driven up by the university towns of Cambridge and Oxford.

Yet thanks to a legacy of underinvestment by successive governments, its transport connectivity leaves something to be desired.

Getting across the region is time consuming; it's often quicker to travel in and out of London than to travel between east and west.

For example, the distance from Aylesbury to Milton Keynes is 21 miles, but can take up to 2 and a half hours by train.

Cambridge to Luton are 41 miles apart but a train journey takes almost 2 hours.

## **Transport for growth**

When transport isn't all it should be, there's an economic and social toll to pay.

Yes, effective transport is essential for prosperity

But transport isn't just about getting people from A to B.

Transport helps people get on.

It provides access to education and to jobs; it connects businesses with customers, patients to healthcare, friends to friends and family to family.

So I am glad that in the Autumn Statement we were able to announce that we would press ahead with plans for a new road expressway from Oxford to Cambridge via Bedford and Milton Keynes.

And we're also looking into making improvements to the A1 between the M25 and Peterborough.

We're working to include these projects and more in our next Road Investment Strategy, and you will continue to be included in that work.

We are investing in East to West Rail, and we anticipate that train services will be operational between 2022 to 2024.

Late last year, the Secretary of State asked Rob Brighouse, former chief executive of Chiltern Rail, to look at how the project could be delivered more quickly.

And in the Autumn Statement, the Chancellor provided £10m to continue the development of the central section between Bedford and Cambridge.

All this is a good start.

It means we've got 2 important ingredients for investment – long-term planning and money.

But there's a third ingredient that's just as vital.

And that's the right governance.

After all, the government can find the money and make plans but the plans need to be turned into concrete reality, and the money spent in the right way.

This is where organisations such as England's Economic Heartland can have such an important role to play.

By taking local knowledge of needs and opportunities, and thinking strategically.

About how money is best allocated, on what schemes, and in what order.

You know your economy better than anyone.

You know what's needed to drive growth.

Yet currently decision-making over strategic transport schemes, for example, is often centralised at a national level.

So over the year ahead, we want to work with you, to support you in making a real difference to the region.

We want England's Economic Heartland to shape its future.

We want to see the region speak with one voice.

To have a shared vision for trains and buses, taking into account what passengers want.

We want to see your plans for reducing road congestion, and speeding up links the region's airports.

And we want to see a vision that links this thinking on transport to thinking on housing and economic growth.

We're seeing the early evidence that when local areas come together to plan long-term infrastructure, they can deliver outputs greater than the sum of their parts.

I'm pleased too that you're giving consideration to becoming a sub-national transport body.

It might offer significant benefits to the region.

But by definition, it's not something that should be imposed, or decided on before the hard work of analysis has been done.

The region must put forward its proposal and make the case for the benefits.

The government door will be open, and to help you have asked for £625,000

match fund to get moving. I am happy to confirm that central government is willing to confirm that funding today.

## **Conclusion**

In conclusion, then, my message is this.

We know the transport infrastructure across the region isn't good enough for a region with such incredible potential.

Now we have the chance to put it right.

Not by sitting in London and telling you what to do.

But by giving you the chance to shape your own future.

So thank you for listening, and thank you, Martin Tett, the Strategic Alliance, and Highways England for organising a brilliant event.

And thank you for bringing everyone together.