

Interim report launched into the UK's financial system

Today the Shadow Chancellor launched Labour's [interim report](#) into the UK's financial system, led by economist Graham Turner of GFC Economics.

The report reveals that UK output from high-tech industries has fallen on average over the last ten years, with only one other EU member having a worse performance, with investment in manufacturing, ICT and other critical sectors lagging £28bn behind investment in real estate companies.

The analysis presented in the report will make the case that the UK's financial system is currently failing to deliver investment to our country's high-technology sector; and will set out recommendations for consideration for inclusion in the next Labour manifesto.

Proposed recommendations from the report:

- Moving some of the functions of the Bank of England to Birmingham.
- Locating Labour's National Investment Bank in Birmingham.
- Locating the Strategic Investment Board secretariat and research department in Birmingham.
- Establishing Bank of England offices in Glasgow, Cardiff and Belfast, and two smaller regional offices in Newcastle and Plymouth.
- Establishing regional offices for the Strategic Investment Board also in the same cities.

John McDonnell MP, Labour's Shadow Chancellor, said:

"This important report drums home the message that our financial system isn't delivering enough investment across the whole country, and in the high-technology industries and firms of the future where it is needed most.

"Under the Tories, we've seen more and more investment flowing into property speculation whilst high-tech firms have been starved of the money they need, and research spending has lagged far behind.

"Labour is committed to working with our financial institutions to help deliver the financing that the fourth industrial revolution will need, as part of our ambitious plans to help build a high-tech, high-wage economy that works for the many, not the few."

Graham Turner, Chief Economist, GFC Economics, said:

"The pace of automation and technological change is accelerating, threatening established business models and creating an economy characterised by frequent 'disruptive' episodes. As a central bank sitting at the heart of the UK financial system, the Bank of England needs to be playing an active, leading role, ensuring banks are helping UK companies to innovate. Flow of funds analysis shows that banks are diverting resources away from industries vital

to the future of this country.

“The UK’s productivity performance is extremely poor by international standards. The UK runs the risk of being left behind by technological developments, which could and should enrich the whole country. R&D spending is low and not enough companies operate at the scale needed to deliver major increases in research spending. This has longer-term consequences for wages and living standards.

“There is a risk that the disproportionate number of technology companies in London and the South East will increase, exacerbating regional inequality. Governments have a critical role in addressing these weaknesses, but that will require determined, strategic action.”

[The further widening of the trade deficit is extremely worrying – Bill Esterson MP](#)

Bill Esterson MP, Shadow Minister for International Trade, commenting on today’s overseas trade statistics, said:

“The further widening of the trade deficit is extremely worrying and shows just how little impact this Government has had on bettering our international trade position since the creation of the Department for International Trade.

“What today’s figures highlight once again is that British businesses are deeply integrated within global value chains and are heavily dependent on imports. Just this week the Secretary of State noted that *“we need to be nuanced about complex value chains”* yet it is this Government who have repeatedly attempted to ignore this complexity when they celebrate growing export figures despite the widening trade deficit. They fail to grasp that import costs go up as export volumes rise or as exchange rates fluctuate. Indeed, total imports are increasing by a greater amount in all regions of the country except Scotland and Northern Ireland.

“What businesses need is certainty and clarity as to what the future trading landscape will be – including with key markets in the European Union. Instead, this Government is doing everything possible to maximise uncertainty and chaos.”

Jeremy Corbyn speech at the United Nation's Geneva headquarters

CHECK AGAINST DELIVERY

Speaking at the United Nation's Geneva headquarters today, Jeremy Corbyn MP, Leader of the Labour Party, said:

Thank you Paul for that introduction.

And let me give a special thanks to the United Nations Research Institute for Social Development.

Your work gives an important platform to marginalised voices for social justice to challenge policy makers and campaign for change.

I welcome pressure both on my party the British Labour Party and on my leadership to put social justice front and centre stage in everything we do.

So thank you for inviting me to speak here in this historic setting at the Palais des Nations in Geneva a city that has been a place of refuge and philosophy since the time of Rousseau.

The headquarters before the Second World War of the ill-fated League of Nations, which now houses the United Nations.

It's a particular privilege to be speaking here because the constitution of our party includes a commitment to support the United Nations. A promise "to secure peace, freedom, democracy, economic security and environmental protection for all".

I'd also like to thank my fellow panellists, Arancha Gonzalez and Nikhil Seth, and Labour's Shadow Attorney General, Shami Chakrabarti, who has accompanied me here.

She has been a remarkable campaigner and a great asset to the international movement for human rights.

And lastly let me thank you all for being here today.

I would like to use this opportunity in the run-up to International Human Rights Day to focus on the greatest threats to our common humanity.

And why states need to throw their weight behind genuine international cooperation and human rights both individual and collective, social and economic, as well as legal and constitutional at home and abroad if we are to meet and overcome those threats.

My own country is at a crossroads. The decision by the British people to leave the European Union in last year's referendum means we have to rethink our role in the world.

Some want to use Brexit to turn Britain in on itself, rejecting the outside world, viewing everyone as a feared competitor.

Others want to use Brexit to put rocket boosters under our current economic system's insecurities and inequalities, turning Britain into a deregulated corporate tax haven, with low wages, limited rights, and cut-price public services in a destructive race to the bottom.

My party stands for a completely different future when we leave the EU, drawing on the best internationalist traditions of the labour movement and our country.

We want to see close and cooperative relationships with our European neighbours, outside the EU, based on solidarity as well as mutual benefit and fair trade, along with a wider proactive internationalism across the globe.

We are proud that Britain was an original signatory to the European Convention of Human Rights and our 1998 Human Rights Act enshrined it in our law.

So Labour will continue to work with other European states and progressive parties and movements, through the Council of Europe to ensure our country and others uphold our international obligations.

Just as the work of the UN Human Rights Council helps to ensure countries like ours live up to our commitments, such as on disability rights, where this year's report found us to be failing.

International cooperation, solidarity, collective action are the values we are determined to project in our foreign policy.

Those values will inform everything the next Labour government does on the world stage, using diplomacy to expand a progressive, rules-based international system, which provides justice and security for all.

They must be genuinely universal and apply to the strong as much as the weak if they are to command global support and confidence.

They cannot be used to discipline the weak, while the strong do as they please, or they will be discredited as a tool of power, not justice.

That's why we must ensure that the powerful uphold and respect international rules and international law.

If we don't, the ideals of the Universal Declaration of Human Rights of 1948 will remain an aspiration, rather than a reality and international rules will be seen as a pick and mix menu for the global powers that call the international shots.

Most urgently we must work with other countries to advance the cause of human rights, to confront the four greatest and interconnected threats facing our common humanity.

First, the growing concentration of unaccountable wealth and power in the hands of a tiny corporate elite, a system many call neoliberalism, which has sharply increased inequality, marginalisation, insecurity and anger across the world.

Second, climate change, which is creating instability, fuelling conflict across the world and threatening all our futures.

Third, the unprecedented numbers of people fleeing conflict, persecution, human rights abuses, social breakdown and climate disasters.

And finally, the use of unilateral military action and intervention, rather than diplomacy and negotiation, to resolve disputes and change governments.

The dominant global economic system is broken.

It is producing a world where a wealthy few control 90 percent of global resources.

Of growing insecurity and grotesque levels of inequality within and between nations, where more than 100 billion dollars a year are estimated to be lost to developing countries from corporate tax avoidance.

Where \$1 trillion dollars a year are sucked out of the Global South through illicit financial flows.

This is a global scandal.

The most powerful international corporations must not be allowed to continue to dictate how and for whom our world is run.

Thirty years after structural adjustment programmes first ravaged so much of the world, and a decade after the financial crash of 2008, the neoliberal orthodoxy that delivered them is breaking down.

This moment, a crisis of confidence in a bankrupt economic system and social order, presents us with a once in a generation opportunity to build a new economic and social consensus which puts the interests of the majority first.

But the crumbling of the global elite's system and their prerogative to call the shots unchallenged has led some politicians to stoke fear and division. And deride international cooperation as national capitulation.

President Trump's disgraceful Muslim ban and his anti-Mexican rhetoric have fuelled racist incitement and misogyny and shift the focus away from what his Wall Street-dominated administration is actually doing.

In Britain, where wages have actually fallen for most people over the last decade as the corporations and the richest have been handed billions in tax

cuts, our Prime Minister has followed a less extreme approach but one that also aims to divert attention from her Government's failures and real agenda.

She threatens to scrap the Human Rights Act, which guarantees all of our people's civil and political rights and has actually benefited everyone in our country. And she has insisted "if you believe you're a citizen of the world, you're a citizen of nowhere".

There is an alternative to this damaging and bankrupt order. The world's largest corporations and banks cannot be left to write the rules and rig the system for themselves.

The world's economy can and must deliver for the common good and the majority of its people. But that is going to demand real and fundamental structural change on an international level.

The UN has a pivotal role to play, in advancing a new consensus and common ground based on solidarity, respect for human rights and international regulation and cooperation.

That includes as a platform for democratic leaders to speak truth about unaccountable power.

One such moment took place on 4 December 1972, when President Salvador Allende of Chile, elected despite huge opposition and US interference, took the rostrum of the UN General Assembly in New York.

He called for global action against the threat from transnational corporations, that do not answer to any state, any parliament or any organisation representing the common interest.

Nine months later, Allende was killed in General Augusto Pinochet's coup, which ushered in a brutal 17-year dictatorship and turned Chile into a laboratory of free market fundamentalism.

But 44 years on, all over the world people are standing up and saying enough to the unchained power of multinational companies to dodge taxes, grab land and resources on the cheap and rip the heart out of workforces and communities.

That's why I make the commitment to you today that the next Labour government in Britain will actively support the efforts of the UN Human Rights Council to create a legally binding treaty to regulate transnational corporations under international human rights law.

Genuine corporate accountability must apply to all of the activities of their subsidiaries and suppliers.

Impunity for corporations that violate human rights or wreck our environment, as in the mineral-driven conflicts in the Democratic Republic of Congo, must be brought to an end.

For too long, development has been driven by the unfounded dogma that

unfettered markets and unaccountable multinational companies are the key to solving global problems.

So under the next Labour Government the Department for International Development will have the twin mission of not only eradicating poverty but also reducing inequality across the world.

To achieve this goal we must act against the global scandal of tax dodging and trade mis-invoicing – robbing developing countries and draining resources from our own public services.

In Africa alone an estimated 35 billion dollars is lost each year to tax dodging, and 50 billion to illicit financial flows, vastly exceeding the 30 billion dollars that enters the continent as aid.

As the Paradise and Panama Papers have shown the super-rich and the powerful can't be trusted to regulate themselves.

Multinational companies must be required to undertake country-by-country reporting, while countries in the Global South need support now to keep hold of the billions being stolen from their people.

So the next Labour government will seek to work with tax authorities in developing countries, as Zambia has with NORAD – the Norwegian aid agency – to help them stop the looting.

Tomorrow is International Anti-Corruption Day. Corruption isn't something that happens 'over there'. Our government has played a central role in enabling the corruption that undermines democracy and violates human rights. It is a global issue that requires a global response.

When people are kept in poverty, while politicians funnel public funds into tax havens, that is corruption, and a Labour government will act decisively on tax havens: introducing strict standards of transparency for crown dependencies and overseas territories including a public register of owners, directors, major shareholders and beneficial owners ... for all companies and trusts.

Climate change is the second great threat to our common humanity. Our planet is in jeopardy. Global warming is undeniable; the number of natural disasters has quadrupled since 1970.

Hurricanes like the ones that recently hit the Caribbean are bigger because they are absorbing moisture from warmer seas.

It is climate change that is warming the seas, mainly caused by emissions from the world's richer countries.

And yet the least polluting countries, more often than not the developing nations, are at the sharp end of the havoc climate change unleashes – with environmental damage fuelling food insecurity and social dislocation.

We must stand with them in solidarity. Two months ago, I promised the Prime

Minister of Antigua and Barbuda, Gaston Browne, that I would use this platform to make this message clear.

The international community must mobilise resources and the world's biggest polluters shoulder the biggest burden.

So I ask governments in the most polluting countries, including in the UK:

First, to expand their capacity to respond to disasters around the world. Our armed forces, some of the best trained and most highly skilled in the world, should be allowed to use their experience to respond to humanitarian emergencies. Italy is among those leading the way with its navy becoming a more versatile and multi-role force.

Second, to factor the costs of environmental degradation into financial forecasting as Labour has pledged to do with Britain's Office of Budget Responsibility.

Third, to stand very firmly behind the historic Paris Climate Accords.

And finally, take serious and urgent steps on debt relief and cancellation. We need to act as an international community against the injustice of countries trying to recover from climate crises they did not create while struggling to repay international debts.

It's worth remembering the words of Thomas Sankara, President of Burkina Faso, delivered to the Organisation of African Unity in 1987 a few months before he too was assassinated in a coup.

"The debt cannot be repaid" he said, "first because if we don't repay lenders will not die. But if we repay... we are going to die."

The growing climate crisis exacerbates the already unparalleled numbers of people escaping conflict and desperation.

There are now more refugees and displaced people around the world than at any time since the Second World War.

Refugees are people like us.

But unlike us they have been forced by violence, persecution and climate chaos to flee their homes.

One of the biggest moral tests of our time is how we live up to the spirit and letter of the 1951 Refugee Convention.

Its core principle was simple: to protect refugees.

Yet ten countries, which account for just 2.5 percent of the global economy, are hosting more than half the world's refugees.

It is time for the world's richer countries to step up and show our common humanity.

Failure means millions of Syrians internally displaced within their destroyed homeland or refugees outside it. Rohingya refugees returned to Myanmar without guarantees of citizenship or protection from state violence and refugees held in indefinite detention in camps unfit for human habitation as in Papua New Guinea or Nauru. And African refugees sold into slavery in war-ravaged Libya.

This reality should offend our sense of humanity and human solidarity.

European countries can, and must, do more as the death rate of migrants and refugees crossing the Mediterranean continues to rise.

And we need to take more effective action against human traffickers.

But let us be clear: the long-term answer is genuine international cooperation based on human rights, which confronts the root causes of conflict, persecution and inequality.

I've spent most of my life, with many others, making the case for diplomacy and dialogue... over war and conflict, often in the face of hostility.

But I remain convinced that is the only way to deliver genuine and lasting security for all.

And even after the disastrous invasions and occupations of recent years there is again renewed pressure to opt for military force, America First or Empire 2.0 as the path to global security.

I know the people of Britain are neither insensitive to the sufferings of others nor blind to the impact and blowback from our country's reckless foreign wars.

Regime change wars, invasions, interventions and occupations in Iraq, Afghanistan and Libya and Somalia have failed on their own terms, devastated the countries and regions and made Britain and the world a more dangerous place.

And while the UK government champions some human rights issues on others it is silent, if not complicit, in their violation.

Too many have turned a wilfully blind eye to the flagrant and large-scale human rights abuses now taking place in Yemen, fuelled by arms sales to Saudi Arabia worth billions of pounds.

The see no evil, hear no evil, speak no evil approach undermines our credibility and ability to act over other human rights abuses.

Total British government aid to Yemen last year was under £150 million – less than the profits made by British arms companies selling weapons to Saudi Arabia. What does that say about our country's priorities, or our government's role in the humanitarian disaster now gripping Yemen?

Our credibility to speak out against the ethnic cleansing of Rohingya Muslims is severely undermined when the British Government has been providing support

to Myanmar's military.

And our Governments pay lip service to a comprehensive settlement and two state solution to the Israel- Palestine conflict but do nothing to use the leverage they have to end the oppression and dispossession of the Palestinian people.

70 years after the UN General Assembly voted to create a Palestinian state alongside what would become Israel, and half a century since Israel occupied the whole of historic Palestine, they should take a lead from Israeli peace campaigners such as Gush Shalom and Peace Now and demand an end to the multiple human rights abuses Palestinians face on a daily basis. The continued occupation and illegal settlements are violations of international law and are a barrier to peace.

The US president's announcement that his administration will recognise Jerusalem as Israel's capital, including occupied Palestinian territory, is a threat to peace that has rightly been met with overwhelming international condemnation.

The decision is not only reckless and provocative – it risks setting back any prospect of a political settlement of the Israel-Palestine conflict.

President Trump's speech at the UN General Assembly in September signalled a wider threat to peace. His attack on multilateralism, human rights and international law should deeply trouble us all.

And this is no time to reject the Iran Nuclear Deal, a significant achievement agreed between Iran and a group of world power to reduce tensions.

That threatens not just the Middle East but also the Korean Peninsula. What incentives are there for Pyongyang to believe disarmament will bring benefits when the US dumps its nuclear agreement with Tehran?

Trump and Kim Jong-un threaten a terrifying nuclear confrontation with their absurd and bellicose insults.

In common with almost the whole of humanity, I say to the two leaders: this is not a game, step back from the brink now.

It is a commonplace that war and violence do not solve the world's problems. Violence breeds violence. In 2016 nearly three quarters of all deaths from terrorism were in five states; Iraq, Afghanistan, Syria, Nigeria and Somalia.

So let us stand up for the victims of war and terrorism and make international justice a reality.

And demand that the biggest arms exporters ensure all arms exports are consistent, not legally, but with their moral obligations too.

That means no more arms export licences when there is a clear risk that they will be used to commit human rights abuses or crimes against humanity.

The UK is one of the world's largest arms exporters so we must live up to our international obligations while we explore ways to convert arms production into other socially useful, high-skill, high-tech industry.

Which is why I welcome the recent bipartisan U.S. House of Representatives resolution which does two unprecedented things.

First, it acknowledges the U.S. role in the destruction of Yemen, including the mid-air refuelling of the Saudi-led coalition planes essential to their bombing campaign and helping in selecting targets.

Second, it makes plain that Congress has not authorised this military involvement.

Yemen is a desperate humanitarian catastrophe with the worst cholera outbreak in history.

The weight of international community opinion needs to be brought to bear on those supporting Saudi Arabia's war in Yemen, including Theresa May's Government, to meet our legal and moral obligations on arms sales and to negotiate an urgent ceasefire and settlement of this devastating conflict.

If we're serious about supporting peace we must strengthen international cooperation and peacekeeping. Britain has an important role to play after failing to contribute significant troop numbers in recent years.

We are determined to seize the opportunity to be a force for good in peacekeeping, diplomacy and support for human rights.

Labour is committed to invest in our diplomatic capabilities and consular services and we will reintroduce human rights advisers in our embassies around the world.

Human rights and justice will be at the heart of our foreign policy along with a commitment to support the United Nations.

The UN provides a unique platform for international cooperation and action. And to be effective, we need member states to get behind the reform agenda set out by Secretary General Guterres.

The world demands the UN Security Council responds, becomes more representative and plays the role it was set up to on peace and security. We can live in a more peaceful world. The desire to help create a better life for all burns within us.

Governments, civil society, social movements and international organisations can all help realise that goal.

We need to redouble our efforts to create a global rules based system that applies to all and works for the many, not the few.

No more bomb first and think and talk later.

No more double standards in foreign policy.

No more scapegoating of global institutions for the sake of scoring political points at home.

Instead: solidarity, calm leadership and cooperation. Together we can:

Build a new social and economic system with human rights and justice at its

core.

Deliver climate justice and a better way to live together on this planet.
Recognise the humanity of refugees and offer them a place of safety.
Work for peace, security and understanding.

The survival of our common humanity requires nothing less.

We need to recognise and pay tribute to human rights defenders the world over, putting their lives on the line for others – our voice must be their voice.

Thank you.

[Damning report finds Conservatives' higher education reforms are failing on their own terms – Rayner](#)

Angela

Rayner MP, Labour's Shadow Secretary of State for Education, commenting on the National Audit Office report on the higher education market, said:

“This damning report finds that the Conservatives' higher education reforms are failing even on their own terms.

“After promising that increasing competition would lead to fair prices and improved quality for students, all they have delivered is record levels of student debt and an economy so weak it cannot give graduates the jobs they need.

“The failures of their reforms, and the fact that the vast majority of students do not feel their university education represents good value for money, should give the Government cause to rethink their approach.

“The next Labour government will ensure a fair deal for students, scrapping tuition fees and bringing back maintenance grants as we build a National Education Service for the many, and not the few.”

It is encouraging that the European Commission has recommended sufficient progress in the Brexit negotiations – Keir Starmer

Keir

Starmer MP, Labour's Shadow Brexit Secretary, responding to the European Commission's announcement that sufficient progress has been made in the first phase of the Brexit talks, said:

"Despite being two months later than originally planned, it is encouraging that the European Commission has recommended sufficient progress in the Brexit negotiations.

"The priority for both sides now must be to agree transitional arrangements on the same basic terms as we have now. That means staying in the single market and a customs union for a time-limited period. We will also need to know the political price of the deal struck and the impact any compromise that has been agreed will have on our future relationship with the EU.

"As the talks now move on to a discussion about Britain's future relationship with the European Union, Theresa May must seriously reflect on her approach to the negotiations so far. We cannot have another year of chaos and confusion or the farcical scenes we saw earlier on in the week that put jobs and the economy at risk."