

Speech: PM meeting with NATO Secretary General Stoltenberg: 10 May 2017

Welcome to Downing Street, it's very good to have the opportunity to talk again in advance of the leaders' meeting at the end of this month. I really wanted to confirm, and reaffirm, the commitment that the UK has to NATO. We see it as the bedrock of UK security and we are pleased to be playing the role that we are in the alliance.

At the moment we have a number of commitments – nearly 1,000 troops in Estonia and Poland and the RAF Typhoons in the Black Sea as part of that project there. We very much consider it important here in the UK that we spend 2% of our GDP on defence and also meet the 20% on equipment commitment as well.

And obviously as we look ahead to the leaders' discussions, there will be a number of issues, including encouraging others to play their role in terms of the support for NATO. I am very pleased to have the opportunity to talk to you about these and other issues that are on the agenda.

Thank you so much Prime Minister, thank you for welcoming me back to Downing Street. I am really looking forward to discussing with you our preparations for the upcoming meeting of NATO leaders in Brussels on May 25. There are two topics on the agenda – burden sharing and fighting terrorism, and the UK is leading by example on both these fronts.

When it comes to burden sharing, you spend 2% of GDP on defence, I welcome that very much and hope your allies are starting to increase also their resonance in defence. But you also contribute in many other ways. You are now leading our multi-national battalion in Estonia. You are the lead nation for our high readiness force and you are in the skies through the Royal Air Force in the Black Sea region, providing policing.

So when it comes to burden sharing and contributing to our shared security, you are really a lead nation and I thank you for that. Also when it comes to fighting terrorism, I very much appreciate the contributions from the UK. You have been in Afghanistan for many, many years together with NATO allies.

We will address our presence in Afghanistan at the leaders' meeting but we will also address what more NATO can do to step up its efforts to fight international terrorism, including providing support to the counter-Isil coalition. And I strongly believe that the best thing you can do to fight against terrorism is to train local forces, enabling them to stabilise their own country and to fight terrorism themselves.

So there are many important issues on the agenda and we are looking forward to welcoming you to Brussels. So thank you.

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10 May 2017



The Scottish Conservatives have condemned the SNP after its “grubby” attempt to spread misinformation about Scotland’s fishing industry backfired today.

Nicola Sturgeon took to social media last night to claim a private letter from the UK Government to the Scottish Fishermen’s Federation showed that ministers were preparing to “sell out” fishing communities.

However, in a statement today, the SFF dismissed her allegations, insisting that “any reading of this letter in full makes it clear that the UK Government is committed to ensuring we exit the CFP”.

It added that UK Government ministers had made clear to them that the government “shares the determination of the entire industry to seize this opportunity to re-generate our coastal communities”.

Ruth is today demanding that the First Minister retracts her claims – and explains why the SNP chose to put private correspondence between the SFF and the UK Government into the public domain.

Speaking after she met fishing leaders in Peterhead, Scottish Conservative leader Ruth Davidson said:

“Nicola Sturgeon’s grubby spin operation has been found out – and the SNP’s scaremongering has been exposed for the trash it is.

“The First Minister’s hands are all over this – she took to social media to whip up unfounded claims about the UK Government’s approach to our fishing industry.

“Scotland’s fishing leaders have directly contradicted her to make it clear they are satisfied with the UK Government’s approach.

“If Nicola Sturgeon has even a shred of decency, she will retract her absurd claims.

“She also needs to explain why the SNP chose to put this private correspondence between the SFF and the UK Government into the public domain.

"The only lesson we can draw from this is that the nationalists are panicking and are now resorting to amateur leaking and baseless spin in an attempt to cling onto seats all over Scotland.

"Scots everywhere are increasingly seeing through the SNP.

"The Scottish Conservatives will lead Scotland's fightback against the SNP – and stand up to their unwanted plan for a second referendum."

£7 billion extra for schools under Liberal Democrat plans

The Liberal Democrats have announced they will invest nearly £7bn more in schools and colleges over the next parliament.

The funding would reverse cuts to frontline school and college budgets, protect per pupil funding in real terms and ensure no school loses out from the National Funding Formula.

Liberal Democrat Shadow Education Secretary Sarah Olney said: "Children are being taught in overcrowded classes by overworked teachers – but Theresa May doesn't care.

"While funding per pupil is set to see the biggest cuts in a generation, billions of pounds are being spent on divisive plans to expand grammars and free schools.

"This extra £7 billion of funding would ensure no school and no child loses out.

"We will reverse crippling Conservative cuts to school budgets and invest to ensure every child has the opportunity to succeed."

Liberal Democrat Leader Tim Farron said: "A landslide for the Conservatives would allow Theresa May to take parents across the country for granted and cut our schools to the bone.

"Only the Liberal Democrats can provide the strong opposition Britain needs to stand up for your community.

"Vote for the Liberal Democrats and you can change Britain's future."

The Liberal Democrats will invest £6.9bn more in our schools and colleges over the next parliament, to ensure no school and no child loses out. This goes further than Labour's commitment to reverse £3bn of cuts to school budgets by 2020.

Over the course of the parliament, we will:

- Protect per pupil funding in real terms in schools (£3.3bn)
- Protect further education per pupil funding in real terms (£660m)
- Ensure no school loses out from the National Funding Formula (£1.26bn)
- Protect the pupil premium in real terms (£415m)
- Invest in continuous professional development for teachers (£165m)

The £6.9bn includes £1.1bn of Barnett consequential for devolved nations.

These plans will be fully costed in the Liberal Democrat manifesto, which will be launched in due course and set all our spending plans out in more detail. This will include reversing the Government's proposed funding for new grammar schools.

News story: Car parts merger faces in-depth investigation

Euro Car Parts' buyout of Andrew Page faces an in-depth merger probe, unless it offers acceptable ways of addressing competition concerns.

The companies both supply car parts to independent garages across the UK, and the Competition and Markets Authority's (CMA) [initial investigation](#) found that they compete closely with each other.

The CMA believes that the merger could significantly reduce competition in a number of local areas, as well as for some large customers which purchase car parts on a national basis.

Euro Car Parts therefore has until 17 May to offer proposals to resolve the competition concerns. If it does not offer undertakings, or if the CMA is unable to accept undertakings offered, the merger will be referred for an in-depth phase 2 investigation.

Bridging the generational divide in the UK

People of my generation grew up with a set of intuitive assumptions about human progress: hatred and prejudice would give way to reason, democracy would displace authoritarianism, and the economic good times would roll and

roll.

Among those assumptions was the strong sense that we would live to enjoy a better quality of life than our parents. For much of the 20th century, the statistics bore that out. Average incomes rose with [each successive generation](#).

No more. For Generation Y—the so-called “millennials” born between 1980 and 2000—the new century has brought a historic reversal of fortunes and a growing sense of pessimism.

UK polling conducted in 2016 found that 54% of people think today's 18-35 year olds will have a worse life than their parents' generation, which is a dramatic collapse in confidence since 2003, when only 12% of the public held that view.

In large part, the differential impact of the financial crisis is to blame. While all ages have experienced wage stagnation since 2008, younger cohorts have been hit particularly hard. For many, the wage squeeze has come early in their careers when pay progression is normally at its most rapid. As a result, the oldest millennials (born 1981-85) are now earning some £40 (about US\$50) per week less around the age of 30 than those born 10 years earlier [earned at the same age](#).

At the same time, younger people are increasingly struggling to accumulate the two major assets that my generation always took for granted: a pension and a home.

Private pension schemes are now less generous on average, and the state pension will replace a smaller share of earnings.

But the real scandal is in housing. Here, the market is fundamentally broken, due to inadequate supply, and first time buyers are paying the price. The proportion of 25-34 year olds in the UK who own their own home was 67% in 1991, but had declined to 36% by 2013-14. The trend was even more striking for those aged 16-24, where home ownership has declined from [36% in 1991 to 9% in 2013-14](#). No wonder that the under-50s own only [18% of the UK's property wealth](#).

By contrast, older generations have been very effectively sheltered from the economic headwinds. The over-60s are the only age group [to have become better off](#) since 2007/08. From 2010 to 2015, the average British household saw its income fall by about £500 as a result of tax increases and spending cuts, yet the average two-pensioner household took [a hit of just £23](#).

Changes to welfare policy have exacerbated the divide. [The Resolution Foundation estimates that by 2020](#), compared with pre-crisis levels, working-age benefits will be 9% lower per person, child benefits 12% lower and pensioner benefits per pensioner 19% higher. Other perks which are specific to pensioners persist: winter fuel allowance, free bus travel, free TV licences.

Intergenerational inequality is aided and abetted by the fact that younger people are much less likely to vote than older people. 43% of 18-24 year olds voted in [the UK General Election in 2015](#), compared to 78% of over-65s. As populations age across the developed world, the “grey vote” can only become more significant.

I would like to offer some tentative first steps towards restoring balance to this desperately unbalanced state of affairs. Similar problems exist across the developed world, but the solutions offered here are specific to the UK.

First, we need to rebalance the welfare system. Further cuts cannot and should not come exclusively from working-age households. Universal, non means-tested pensioner benefits like universal TV licences and winter fuel payments are impossible to justify, while the “triple lock” (by which pensions are uprated annually by inflation, earnings, or 2.5%, whichever is greater) is prohibitively expensive in the long term. The task of finding a sustainable replacement—perhaps a “double lock” linking increases to prices and earnings, but not a guaranteed 2.5% in all circumstances—should fall to a cross-party commission.

Second, we must correct the chronic undersupply of housing through a massive, publicly-underwritten house-building programme. This will require not only money but innovative political solutions to prevent a stand-off between central government and local authorities opposed to new developments.

Finally, I believe it is time to consider giving young people the opportunity

to shape the political future by considering compulsory voting (with an option to abstain on the ballot paper). The evidence from Australia suggests this can counter the “grey vote” bias and force politicians to appeal to the whole electorate.

As the Resolution Foundation has argued, renewing the intergenerational contract is a shared challenge for our times. It requires bold thinking and political courage from a generation of leaders who have enjoyed the good times, and must now act to prevent a worrying divide from becoming an unbridgeable gulf.



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References and further reading

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[OECD work on youth](#)

[OECD work on social and welfare issues](#)