

John McDonnell speech to the British Chamber of Commerce

*****CHECK
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Thank
you very much for the invite to speak here today.

We're
meeting at a time of upheaval not only for British businesses, but for our
whole society.

The
vote to Leave the EU has created fundamental and unexpected challenges for us
all.

It
is forcing all of us to think more deeply than in the past about what kind of
society and country we want to be.

Businesses
are a critical part of that national conversation.

Particularly
as the Brexit negotiations get underway, it is essential their voice is heard
loud and clear – and listened to by government.

Action
is needed now on business rates, and I'll come on to Labour's own plans and
demands shortly.

But
more fundamentally, there needs to be a change of direction on the economy.

Too
often, governments have focused on the short-term gains, when they should
have
been thinking about the future.

This
has meant cuts in government investment over the last six years, when the
economy has been crying out for essential investment spending.

It
meant that research spending by government fell by £1bn in real terms, at a
time when the gains from the application of science are so obvious.

Decisions
like these do not happen in isolation.

They
are the product of a Westminster political system with a short-term culture
and
an excessive focus on what just a few economic hotspots can deliver.

And
the belief that government can do nothing for businesses and the economy has
damaged businesses and the economy.

Fundamental
mistakes in policy have helped lead us to a situation in which the
productivity
of our economy now lags far behind similar countries.

It
now takes a typical British worker five days to produce what a typical German
or French worker produces in five.

Without
productivity growth, consistent improvements in most people's standard of
living will be difficult to achieve.

That
failure on productivity means that we have lived through what Mark Carney has
called a "lost decade" for earnings as wage growth stagnates.

And
the forecasts currently indicate another lost decade ahead.

If
we are to turn this situation round, it will require government to take a
lead.

But
too often on Brexit, Ministers have given the impression of placing their
narrow political positioning above the good of the whole country.

The
vote was to Leave and Labour respects that decision.

But
that vote to Leave is not the same as an excuse to damage the whole economy.

It
is simply not true that no deal with the EU is preferable to a bad deal.

No
deal is a bad deal – it's the worst possible deal, with all the dangers
of WTO-only trading rules.

Labour
has always called for full, tariff-free access to the Single Market.

Nor

do we think that the Government should be using EU migrants as a bargaining chip.

EU

migrants have made and will continue to make a huge contribution to this country, whether in our businesses or in keeping our public services running.

But

those 3m migrants have been subject to a terrible uncertainty as this government has failed to guarantee their rights.

It

is simply not acceptable to place people under that sort of pressure.

It's

not even a convincing bargaining position to take, since there are 1.5m UK citizens resident in other EU countries whose rights can also be placed on hold.

Our

European partners know this, and won't be swayed by attempts at tough talk from London.

The

sooner the situation is resolved with a clear and unambiguous statement that EU migrants currently resident here will have their rights protected, the sooner the negotiation process can move on.

That's

not only the principled position to take. It's also popular.

And

it's economically the most sensible, since it guarantees those currently in work can remain in work, and plan for the future.

This

years' Budget could be an opportunity for government to address the fundamental issues of low investment and a lack of industrial strategy.

Unfortunately,

the signs are that this opportunity will be missed.

A

small amount of additional funding was pledged for public investment by the Chancellor at the Autumn Statement.

With

interest rates for government at close to all-time lows, the economic case for

a major programme of government investment in infrastructure and research is overwhelming.

A consensus amongst business organisations, economists, and trade unions now exists on this point.

However, the increase in capital spend currently offered by this government does not properly address the pressing need to overhaul our infrastructure across the whole country, including new investments in road and rail.

Our broadband provision, meanwhile, remains inadequate for a modern, developed economy.

Labour has committed to the delivery of a fully-fibre optic broadband connectivity, across the whole country.

As part of our commitment to invest, we will in government deliver the funding needed to accelerate fibre to the premises, prioritising areas of clear business need.

Labour welcomed the publication of this government's industrial strategy green paper.

It's a first move towards correcting previous mistakes.

Labour want to see an industrial strategy with broad, cross-party support because this would ensure the long-term stability such a strategy needs.

The most successful economies now have governments that are prepared to act to support them and their businesses.

That doesn't just mean protecting essential industries, like steel or chemicals.

It also means moving to support new sectors and smaller businesses.

And it means moving beyond some of the mistakes of the past and putting place and regional development at the centre of our approach.

The Government has to address, first and foremost, the regional disparities in

investment, and support for smaller businesses.

It
can't be right that more than half the UK's transport investment is made in London.

Labour
will put in place a legal mechanism for public investment that will allow Parliamentary oversight on regional capital spending per head.

We
want to see not only London, but the whole country, raise their game and the huge disparities closed.

So
Labour will commit the £10bn investment needed to build a "Crossrail for the North", linking up the great northern from Liverpool right through to Newcastle and Hull.

We
need also to unblock our financial system and put in place the mechanisms needed to deliver loan capital to our businesses.

The
next Labour government is committed to establishing a National Investment Bank,
backed up by a network of regional development banks.

This
will be charged with delivering long-term capital to smaller and medium-sized businesses in particular.

The
inability of smaller firms to access the finance they need for growth has held
back their potential.

And
the concentration of lending by our existing financial system in London has meant the rest of the country has lagged behind.

Labour
will correct this bias.

We
want to see smaller firms succeed across the whole of the country.

But
there is essential action for businesses that can be taken right now, on business rate revaluation.

The

growth of online retail is of course welcome for consumers who have benefitted from price competition. However, we cannot let our high streets become a wasteland of boarded up shop windows.

The government risk letting our high street shops wither on the vine, and just so they can play politics with their business rates.

The revaluation of business rates due on 1 April has quite rightly caused uproar.

Whilst few would disagree that a revaluation is long overdue, it has been handled atrociously.

It was delayed not for the best economic reasons, but for the best interests of the Tories ahead of a General Election. It cannot be allowed to continue this way.

And it also cannot be right that whilst the average small shop will be hit by an extra £3,663 in their business rates over the next five years, some large retailers and online retailers will see a substantial fall.

The revaluation doesn't reflect how our economy has changed since the last one.

And nor does it take account of the particular cost pressures smaller businesses are now under.

Labour have responded to fears about the impact of looming business rate hikes for some businesses by calling on the Government to set up an emergency transitional relief fund and take a series of measures to ease the business rate burden for business.

Yesterday, we hosted an urgent meeting with leading business organisations, including representatives from the Chamber of Commerce, to discuss a radical shakeup of business rates in the longer term.

We believe that government action now is vital to reduce the impact on smaller businesses, and move towards making the local business taxation system fairer and closer to the real economy.

We've called for a £150m a year for three years transitional relief fund to be established, available to local authorities to distribute to businesses facing

a “cliff edge” in their rates bills.

We want the shift from RPI to CPI uprating in rates to be brought forward three years.

We think, like yourselves, that this would soften the immediate blow to businesses.

But looking ahead, we think it is essential that plant and machinery are removed from the business rates system.

It cannot be right that companies seeking to do the right thing, and investing for the future, are then penalised for doing so.

This is the exact opposite of how the tax system is supposed to function, and clearly out of line with best practice elsewhere.

For a country facing the productivity slump that Britain is now experiencing, additional taxation on investment like this cannot be justified.

Alongside more regular revaluations, removing periodic and unmanageable hikes, Labour is calling for a fundamental overhaul of the business rates system.

I am calling on the Chancellor today to provide real and genuine support for those business struggling next week.

We cannot go ahead in the way we are if it could mean many businesses go to the wall, and the jobs destroyed.

Businesses in London have been particularly hard hit.

London's property values have been racing ahead of the rest of the country for years.

That means small businesses in London are being hit with particularly heavy rates hikes, and some no longer qualify for transitional relief.

Labour's emergency relief fund offers a lifeline to those businesses.

Labour
wants to support these businesses that are a cornerstone of our economy.

And
it's becoming clear day after day, that Labour is the only party that is
truly
on the side of small and medium sized business.

The
years ahead could be challenging for this country, and for its businesses.

I
believe that what the Chambers of Commerce represent is an essential voice
for
businesses across the whole country.

By
taking on and representing the views of businesses in every community, you
can
make a decisive contribution to how we address the challenges ahead.

That's
not just about what's good for the economy.

It's
about being genuinely civic businesses – able to act locally to support their
communities.

But
that can only happen when there is also a genuinely supportive government.

Action
is needed immediately on business rates, ahead of the revaluation coming in
to
force.

The
Chancellor must take the opportunity of bringing forward a programme, backed
up
with money, that will address the immediate problems caused by revaluation.

But
over the longer term it means coming forward with a clear plan of action for
our economy.

One
that recognises the support businesses need and the essential role they play
–
and that will break with the mistakes of the past.

Separate Scottish Brexit deal would 'fracture UK', says expert group

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- Separate Scottish Brexit deal would 'fracture UK', says expert group

28 Feb 2017



A separate Scottish deal on EU or EEA membership would “result in the fracturing of the UK domestic market,” an expert group on Brexit has concluded in a major new report published today.

The paper – entitled ‘Scotland’s Trading Future’ – concludes that a “differentiated deal” as proposed by the Scottish Government is neither “deliverable” nor in Scotland’s “self-interest”.

Aside from the legal, political and technical obstacles to such a plan, the deal would “break our integrated domestic UK market, whose economic importance to Scotland is paramount”.

It concludes that:

- Unless the Scottish Government agreed to adopt the same immigration policy as the rest of the UK, it is “inevitable” that internal UK border controls would be introduced under their plan.
- Even in the absence of tariffs between Scotland and the rest of the UK, the flow of goods and services across the border which are four times more important to Scotland than EU exports would “inevitably be affected” by more restrictive controls.
- There would be a gradual “divergence” between Scotland and the rest of the UK as Scotland through EU or EEA membership was forced to adopt more EU regulations and laws, while the rest of the UK did not.

The report also examines the prospects for a UK-EU trade deal and for the UK’s global trading opportunities once the UK leaves the European Union in 2019.

It supports efforts to continue co-operation across Europe in law enforcement, intelligence gathering, high-quality university research and student exchange programmes.

It says a UK/EU free trade deal “need not be difficult” to agree as all tariffs, regulations, laws and standards would be identical on the day the UK leaves the EU.

The report goes on to say that “it is pivotal that all parts of the UK come together and present a united front, so that efforts are focused on getting the best possible deal”.

And on future opportunities for Scotland, it concludes that if trends over the last 10 years are continued, rest of the world exports from Scotland will be two-thirds more valuable to Scotland than EU exports by 2025.

It calls on both the UK and Scottish Governments to do more to support Scottish exports, and says the experience of successful exporters – such as Scotch Whisky – should be used as “best practice” for other sectors which are less successful.

In the report’s summary, the group declares:

“Our challenge has been to reach across the divide between those who voted to remain and those who voted to leave and to set out a way forward which, we believe, is in the best interest of Scotland and the whole United Kingdom.

“We believe it is in Scotland’s self-interest to do nothing to fracture our own Union. And we believe it is in Scotland’s self-interest to support the United Kingdom’s efforts to increase global trade.

“We cannot see the self-interest in a so-called ‘differentiated solution’ for Scotland. It would have the effect of damaging the economy and reducing growth in Scotland.”

Scottish Conservative MEP Ian Duncan, who chaired the expert group, said:

“Having spent time examining the plans of both the Scottish and UK governments, this report looks at how Brexit can best deliver for Scotland and – crucially – for the entire United Kingdom.

“While Brexit undoubtedly presents challenges as well as opportunities for our future trading relationships, it is clear that cooperation and presenting a united front will allow us to focus efforts on securing the best possible deal.

“I am grateful to my colleagues on this group for their expertise and input into the report, which is a serious and forward-looking appraisal of how we make Brexit a success for the people of Scotland.

“In presenting this report, our hope is that it will contribute constructively to the public debate, and ensure that securing jobs and growing the economy are the key priority over the coming months.”

Scottish Conservative leader Ruth Davidson said:

“I would like to place on record my thanks to this group for the important work they have done.

“The report makes it very clear: none of the challenges posed by Brexit are answered by weakening or breaking up our own Union of nations.

"This report makes a compelling argument that, as we embark on our departure from the EU, the protection of our own Union is vital to Scotland's self-interest."

To see the full report, visit:

<http://www.scottishconservatives.com/wordpress/wp-content/uploads/2017/02/Scotland%E2%80%99s-Trading-Future.pdf>

Below are biographies of those involved in the group:

Ian Duncan MEP

Ian Duncan was for seven years the Head of the Scottish Parliament's European Office in Brussels, responsible for relations between the Holyrood Parliament and the EU institutions. He later served as European Advisor to the Parliament and Clerk to the European & External Relations Committee. He resigned his position in February 2013 to seek the election to the European Parliament.

Gavin Hewitt CMG

Long British Diplomatic Service career culminating with Ambassadorships in Croatia, Finland and Belgium (1970 to 2003).

Extensive multilateral and bilateral EU and international trade policy experience, including at Brussels and Geneva.

Chief Executive of the Scotch Whisky Association (2003 to 2013). Remains active in the Scotch Whisky industry.

Allan Hogarth

Allan Hogarth is director of AH Strategies Ltd .

Prior to this, he was director of Public Affairs for a leading consultancy and spent 8 years with CBI Scotland, latterly as Head of Media and Public Affairs.

He also worked as the director of the British Lung Foundation in Scotland, establishing it as a leading medical research charity.

Rhona Irving

Rhona Irving is a retired partner from PwC where she specialised in corporate and international taxes and had roles leading the firm's Scottish tax practice and the learning and development programme for the UK tax practice. She currently chairs the board of the School for Social Entrepreneurs in Scotland.

Rhona graduated from Edinburgh University with a First Class BSc (Hons) in Mathematics and then qualified as a Chartered Tax Practitioner before becoming a partner in PwC.

Sir Iain McMillan CBE

Sir Iain McMillan spent twenty-three years with the TSB Group prior to joining the Confederation of British Industry (CBI) in 1993. He held the position of Director, CBI Scotland for nineteen years until his retirement in 2014. Sir Iain holds a number of Board positions in the business and charitable sectors. He is currently Chairman of SkillForce and the

University of Strathclyde Business School Advisory Board, Honorary Patron of the Scottish North American Business Council (SNABC) and a Trustee of The Carnegie Trust for the Universities of Scotland. In 2009, Sir Iain was appointed Honorary Air Commodore of 602 (City of Glasgow) Squadron, Royal Auxiliary Air Force.

Over the years, Sir Iain has served on other Boards and public policy groups, including the Commission on Scottish Devolution (Calman Commission). He also chaired the Independent Commission for Competitive and Fair Taxation in Scotland. In 2003, Sir Iain was appointed CBE for services to the business community and lifelong learning in Scotland. In 2015, Sir Iain was knighted for services to the Scottish economy.

Alexander Stewart MBE MSP

Alexander Stewart was first elected as a Member of the Scottish Parliament for Mid Scotland and Fife in the May 2016 election. He is the Scottish Conservative and Unionist Party's Shadow Minister for International Development and External Affairs.

Prior to his election to Holyrood, Alexander worked as a management professional in the hospitality, housing and retail sectors and, for a time, ran his own fashion-retail business in Crieff. In 1999, Alexander became a local councillor on Perth & Kinross Council and was subsequently re-elected on three occasions. During his time on the council, he has served in a number of senior positions, including Leader of the Opposition and Convener of the Scrutiny and of the Housing and Health Committees. In the 2016 New Year Honours List, he was appointed a Member of the Order of the British Empire by Her Majesty The Queen.

Prof Adam Tomkins MSP

Adam has taught constitutional law at the University of Glasgow since 2003. He played a high-profile role in the Better Together campaign, with frequent media appearances and press articles, often based on his blog, Notes from North Britain.

After the referendum Adam was one of the Scottish Conservatives' two nominees on the Smith Commission, negotiating along with former party leader Annabel Goldie a deal that will see significant new powers coming to Holyrood.

After the general election the Secretary of State for Scotland, David Mundell MP, appointed Adam as constitutional adviser to the Scotland Office, helping the ministerial team at the Scotland Office and their officials to steer the Scotland Bill onto the statute book, delivering the Smith Commission Agreement in full and on time. He was elected Conservative MSP for Glasgow in May 2016.

RAF A400M 'ATLAS' demonstrated to NZ

Air Force

A glorious day in Wellington, New Zealand, provided the perfect backdrop for the RAF to show-off the Airbus A400M 'Atlas' to the Royal New Zealand Air Force as part of a prestigious partnership between the two nations.



The A400M, based at RAF Brize Norton in Oxfordshire is the newest aircraft in the RAF's fleet. It boasts cutting edge technology, combined with sheer brute strength to make it a formidable strategic and tactical air lift platform. Able to deploy globally, it specialises in carrying over-sized loads and can transport a load of 25 tonnes over a range of 2,000 nautical miles.



The A400M combines huge lifting power with agility, with manoeuvrability akin to a fast-jet rather than an Air Transport Aircraft. It is a phenomenally capable aircraft and able to fly at a staggering 170 degrees angle of bank.



Number 70 Squadron demonstrated the aircraft to Air Commodore Darryn Webb, the New Zealand Defence Force Air Component Commander on a short flight around New Zealand's stunning islands.



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Chief of the Air Staff celebrates NZ Air Force 80th Anniversary

This year marks the Royal New Zealand Air Force's 80th anniversary and the RAF is proud to have been invited to take part in the celebrations at the Ohakea Air Tattoo.



The Airbus A400M 'Atlas', the RAF's cutting-edge tactical and strategic airlift aircraft, impressed the public, international air forces, and defence chiefs alike in New Zealand this weekend.

The highly-capable aircraft, which provides a wealth of options in both operational and humanitarian environments, played host to a meeting between the Chief of the Royal New Zealand Air Force and the Chief of the Royal Air Force. Later, gifts were exchanged and both thanked the crew and engineers for bringing the aircraft 11,600 miles from RAF Brize Norton, Oxfordshire, to Ohakea to celebrate a great partnership between the two nations.

Air Chief Marshall Sir Stephen Hillier, Chief of the Air Staff, said: "As Chief of the Air Staff I am delighted the Royal Air Force has been able to come to New Zealand to help celebrate the 80th anniversary of the Royal New Zealand Air Force. We have a long and rich history together going back over decades, going back over operations, and everything we do today.



"It's a fantastic new capability for the Royal Air Force, showing our ability to deploy all the way from the UK to the other side of the world really underlines the Air Forces Global Mobility capability in support of operations, wherever they might be. We get here quickly and effectively in this fantastic new aircraft."



The A400M Atlas is the newest aircraft in the RAF's fleet. It boasts cutting edge technology, combined with the ability to move outsized loads vast distances, making it a formidable strategic and tactical air lift platform. Able to deploy globally, it can transport a load of 25 tonnes over a range of 2,000 nautical miles.

Air Vice-Marshall Tony Davies Chief of the Royal New Zealand Air Force said: "I did get to see the aircraft and have a good introduction with it last July, when I was kindly hosted by 70 Squadron. I got to fly the simulator and go flying in the aircraft, which was really impressive. Great range and payload. I am really envious that you've got them. This one has a lot of capability and a lot of credibility."



"We have a huge shared history together, our roots are from the RAF. It is very meaningful that in our 80th year the RAF is first and foremost the prime guests at our own party. To take the time and effort to come out here, especially for your Chief of the Air Staff, is really meaningful."

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[News story: Animal medicines seizure: Johnston Agro Supplies](#)

Johnston Agro Supplies, Enniskillen, County Fermanagh. The following products were seized as they are not authorised in the UK:

- 3 packs Albex 10% (1litre)
- 2 packs Albex 10% (2.5 litres)
- 1 pack Albex 10% (5 litre) batch
- 2 packs Triclaben 10% (2.5 litre)
- 194 Endogard Plus tablets for dogs (batch)

This is an offence under Regulation 27 (Supply of an unauthorised veterinary medicinal product) of the Veterinary Medicines Regulations.