

ANDREW MARR SHOW

12TH MARCH 2017

REBECCA LONG-BAILEY

AM: Can I ask first of all about this row in Scotland. Do you think it will be fine to have a second Scottish referendum?

RLB: Well, I think Jeremy made it quite clear yesterday that if the Scottish parliament and the Scottish people wanted to hold a second referendum, then we would advise Westminster not to block that, because it's the democratic will of the people. But our position is that we would vigorously oppose the exit of Scotland from Britain.

AM: And if it was up to you, you wouldn't actually, as a party, want a second Scottish referendum?

RLB: In principle no. But we wouldn't want to go against the will of the people. As I've said, it's a democratic decision that they would make and we'd have to uphold that.

AM: Because this has absolutely infuriated your colleagues in the Scottish Labour Party. Ian Murray, for instance, your only MP in Scotland, says 'I'm often asked why I resigned from the Shadow Cabinet. Ladies and gentlemen, I give you Jeremy Corbyn. He is destroying the party that so many need.'

RLB: Well, I don't think there's any ambiguity in terms of Scottish Labour. Even Kezia Dugdale, the leader of Scottish Labour, said in July last year that it would be categorically wrong for Westminster to block such a decision if it was done in a democratic way and the Scottish parliament had put it forward.

AM: Let's turn to the big row at the moment, which is the National Insurance contributions one, with the Conservative Party apparently breaking a manifesto pledge. Now, you were in charge of the opposition at the time they put the legislation through, and

it seems that you didn't spot that they had withdrawn the self-employed?

RLB: No, that's not right. To say that the Chancellor's been a little economic with the truth there is an understatement. The National Insurance Ceiling Rates Bill related to Class One insurance contributions only, and there was no inference in that Bill at all that there was going to be any changes, and in fact we put that to David Gauke and we asked him if there were any further proposals to change National Insurance contributions and he stated that he had no further proposals to make any changes at this time. The government was perfectly clear, that was one small part of our manifesto commitment.

AM: But you did say at the time, 'the government has answered its manifesto obligations, and you didn't put down any amendment.

RLB: No, we made a point of saying that we'd dealt with one small part of their manifesto obligations, that was perfectly clear on that point.

AM: So now we've got what they've done. Presumably these are self-employed entrepreneurial people and all the rest of it, do you want to reverse this change or not?

RLB: Well, I think we need to look at the way self-employed people are treated as a whole. The reason that they have lower National Insurance –

AM: So you might not reverse...

RBL: Let me answer the question. The reason that they have lower National Insurance contributions is because they don't access to maternity pay, paternity pay, holiday pay and the other benefits that employed people enjoy. So the government needs to look at the whole package really and put forward a set of fundamental reforms to support self-employed people, and also deal with the issue of bogus self-employment, where people are being exploited.

AM: So it sounds like you wouldn't reverse what the government's just done.

RLB: Well, as I said, if the government had put forward a package when it announced this proposal and had provided the support that we've been asking for, then we might have supported them. But they haven't. They've completely attacked low and middle income earners. They've breached their manifesto pledge. And as the Federation of Small Businesses stated, this completely undermines their supposed strategy to support UK businesses. It certainly doesn't do that.

AM: Well, let's turn to your strategy, if we could. I talked to John McDonnell last week about your own spending pledges, and we've totted them up. I'm going to let you see them now on the screen. You can see them there. NHS and social care £12bn. Reversing Universal Credit and so forth £14bn. I just want to look- is that broadly speaking accurate and right, that list?

RLB: It's broadly accurate, but obviously these are based on forecasts, so I mean, the position would change should we get into government in 2020.

AM: The cost is all based on either red book numbers, official numbers, or Labour's own costing, and it comes to something like £60 billion of extra spending. Now, you have also said that your fiscal credibility rule means that you will not borrow to do any of this. So my question to you is very straightforward: where does the money come from?

RLB: Well, we certainly wouldn't have made the decisions that this government has. For example, slashing taxes for the most wealthy in society, inheritance tax, capital gains tax, the bank levy, corporation tax.

AM: So you'd reverse those. Let's talk about corporation tax. How much do you raise from reversing corporation tax?

RLB: Well, as a total package we asked the House of Commons to do some research in terms of the money that we would gain back if we reversed all of those tax breaks as a whole means £70 billion in total by 2020.

AM: I don't think it is. I just want to go through these one by one to make it clear.

RLB: Well, we've done the research, Andrew, where we can provide you with the details of that. The House of Commons carried out independent research on this very point based on OBR forecasts.

AM: If you've done the research you can tell me how much you'd get from reversing the corporation tax changes.

RLB: In terms of – well, as I've said, the package as a whole is 70 billion. It's all based on forecasts. In terms of other potential changes that we've asked, we referred in the budget to business rates. We'd ask the government to make changes to the business rates scheme in order to support businesses. Many of those proposals were cost-neutral.

AM: The answer to the question is 17.7 billion or thereabouts, so you're still about 40-odd billion away from your target.

RLB: Well, as I say there's no - as I said, it's 70 billion in terms of all of those. So those four tax breaks, 70 billion by 2020.

AM: I don't think you'd get 70 billion. I want to go through those four tax breaks in specific terms to check this. So £17.7 billion from corporation tax cuts. How much do you get from raising the inheritance tax threshold?

RLB: Well, as I said, it's 70 billion by 2020.

AM: You've given me a meaningless overall figure, if you don't mind me saying so. I just want to know in detailed terms –

RLB: The cumulative total of all of those tax cuts is £70 billion by 2020.

AM: No it's not, it's really not.

RLB: This is independent research that's been carried out by the House of Commons library based on OBR figures.

AM: Corporation tax cuts, according to the budget, gets you 17 billion, raising inheritance tax would get you just 2.8 billion. Capital gains tax cuts cost just under three billion. Again, according to the budget. And receipts from the bank levy are forecast to be only £4 billion lower by 2020 compared to the OBR estimates. And these are all official figures. Tot it up again and it comes to £30 billion, not 60. So you're still £30 billion short, and my question is if you're talking about credibility, if fiscal credibility really matters to you, where does that money come from?

RLB: No, inheritance tax, capital gains tax, corporation tax and the cuts to the bank levy totals £70 billion by 2020. And as I said, and I don't want to hammer the same point, but we've carried out independent research with the House of Commons library that totals the amount to 70 billion by 2020.

AM: So you can give everybody watching a full breakdown of how you get to £70 billion in detail?

RLB Yes, we can indeed.

AM: And can you do that later on today perhaps as a party?

RLB: Well, I'll speak to John McDonnell if he's available.

AM: It's Sunday, I know. Because one of the ways you could deal with this big problem is you could do what he has talked about in the past, which is a wealth tax on the top ten per cent of people in this country. Is that a prospect that the Labour Party could go for?

RLB: Well, I think we need to look at the way our economy works as a whole, and taxation is one point the government needs to look at in terms of generating tax receipts. But it also needs to look at the economic model in total. It needs to be investing in business and ensuring that they have the tools to succeed in a fertile business environment so that they can boost wages for

their employees and deliver a high-paid, high-skill environment where tax receipts are increased. And they're certainly not doing that. We didn't see that from this week's budget. We didn't see the government go as far on the business rates issue as we would have liked. We saw them hammer low and middle income earners on the National Insurance issue.

AM: Since you're Business Secretary, what is the proper rate, do you think, of corporation tax under Labour?

RLB: Well, we would reverse the cuts that the government has made on corporation tax, but we can't look at corporation tax as a stand-alone issue. I think Philip Hammond has stated that if we didn't get a deal from Brexit then we would slash corporation tax. But that alone is not enough to make us competitive. We need to see investment in skills, we need to see investment in infrastructure, we need to see investment in research and development, and we saw very little of that in this week's budget. The government is not setting us up for the future. There was no mention of industrial strategy in this week's budget submission at all.

AM: One final question about the future. The Brexit Bill comes back to the House of Lords within a couple of days, are Labour MPs going to roll over or are they going to carry on their opposition to the Brexit Bill in terms of the amendments that they've been supporting?

RLB: Well, the two key amendments that have been put forward by the House of Lords is protection of EU citizens in the UK – we fully support that in the Labour Party.

AM: And you want Labour MPs to stick with their position on that in the House of Lords, whatever happens in the Commons?

RLB: I think it's important, it's one of our red lines. I think we need to protect EU citizens in this country. And it's not just a moral case, it's an economic case. We've heard from businesses up and down the country who have stated that they cannot see

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their EU citizens leaving. It will have a very damaging effect on the economy. The other issue is the issue of a meaningful vote. We want to be able to discuss the package that the government finally seeks to obtain from Europe.

AM: And again you'd urge Labour MPs to stick with what they've done and demand a meaningful vote when it comes to the House of Lords?

RLB: I think we do need a meaningful vote. We need to dissect the package that government does obtain finally.

AM: Rebecca Long Bailey, thanks very much for talking to us.

RLB: Thanks.

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