

Richard Leonard: Labour will end austerity, the SNP will increase it

*Speech*

4 June 2018

We meet this morning to confirm Lesley Laird as the Deputy Leader of the Scottish Labour Party.

I was delighted when Lesley agreed to take on the role as my Deputy on an interim basis last year

And I am even more delighted that she is the united choice of the Scottish Labour Party today.

Lesley is our Shadow Secretary of State for Scotland and the Member of Parliament for Kirkcaldy and Cowdenbeath.

So Lesley's election as our Deputy Leader is a statement of our intent as a party.

Our goal is not only to win Scotland back to Labour in 2021, it is to win Scotland back to Labour at the next General Election too, and so return Jeremy Corbyn to Downing Street.

Lesley will be a strong voice for our members and for our movement, making the case for the economic and social transformation that Scotland so desperately needs.

Lesley is a straight-talking team player. As we would expect from someone born and brought up in Greenock in a traditional Labour household.

Lesley's father was a full time official with the trade union ASTMS: John Langan, who rose to become President of the Scottish TUC in 1984 in the tumult of the miners' strike.

When organised working people came together in solidarity from the coalfields of Kent, and the Valleys of Wales, to the collieries of Yorkshire and the pit villages of Scotland.

Lesley is someone who has never forgotten those roots. And the Scottish Labour Party under our leadership will never forget those working class trades union roots either.

Because the scale of our challenge, the challenge for all of us in this room and beyond is to re-build a Scottish Labour party which appeals to working people and trade unionists once again.

Our very purpose should always be shaped by the daily experiences of working people.

But the scale of our challenge also demands that we build a Scottish Labour party which appeals to all people of goodwill who want justice, equality, co-operation and real change.

From its very beginnings the labour movement was not a nationalist movement but part of a worldwide movement with a cause which is global.

Not limited by geography but defined by our political values.

Not shaped by nationhood, but by our fight for justice and equality in the workplace and across wider society.

Never inward looking, always looking outwards.

Keir Hardie and the pioneers saw the need not just to change Scotland but to change the global economic system.

And that remains our goal today.

Because today all across the world we see rising instability. From Donald Trump's economic nationalism to the election of a populist- right wing coalition in Italy which looks set to disrupt the Eurozone.

The SNP's answer to this rise in global instability is for the people of Scotland to face it outside the UK while enduring an unprecedented decade of domestic austerity.

I say the opposite.

I say we face it in solidarity with our friends and our families across the UK with a programme of sustained investment.

Of course global instability is made all the more perilous by the Tories' shambolic handling of Brexit.

Labour wants a jobs first Brexit where we are part of a customs union and retain the benefits of the single market.

We also insist that the devolution settlement is properly respected. That is why I called for cross party talks with all the parties at Holyrood and both governments to break this devolution deadlock.

While both governments backed this call, in the time since Holyrood refused to offer consent on the EU Withdrawal Bill, neither the Scottish nor the UK government has made a meaningful attempt to make this happen.

And with the Withdrawal Bill set to be back in the House of Commons in the next few weeks

I am calling today for both governments to get round the table with Scotland's political parties and find a solution.

Brexit throws into sharp relief the challenges of leaving one political and economic union.

And yet ten days ago, undeterred, the SNP launched its latest attempt to persuade Scotland to leave the political and economic union of the UK.

It was billed as the Growth Commission, but in reality it is a cuts commission.

With a vision of Scotland that people do not want.

A vision of another wasted decade, with people living, surviving, many struggling under the dogma of a deficit reduction plan.

And we know what that looks like; with the rising reliance on foodbanks as winter evictions, rough sleeping, social security sanctions and real wage cuts bite deeply.

The Fraser of Allander Institute said that "*The report opens up some important questions about the 'type' of Scotland we wish to see in the future.*"

So let me this morning compare the type of Scotland that I wish to see in the future and contrast it to the future offered by Nicola Sturgeon.

Because what is now clear is that only Labour is able to unite people in Scotland around a vision of hope

The Growth Commission claims to offer a “clear-sighted analysis of the prospectus for independence”.

But it is a prospectus based on a hard decade of public spending contraction, and even deeper cuts than those implemented by George Osborne in order to drive down the public sector deficit from 8.3 per cent of GDP to below 3 per cent over the course of a decade or less.

As well as a £5 billion ‘Annual Solidarity Payment’ which is almost the entire Scottish Government education and justice budgets combined to be sent to the rest of the UK Treasury.

It is based on a prospectus for independence built not on sovereignty regained but more accurately on sovereignty lost.

Sovereignty lost over interest rate policy, mortgage rate policy, exchange rate policy, inflation policy money supply policy and corporation tax policy.

And it is based on an economic model which relies heavily on foreign direct investment, on large multinational corporations and labour market “flexicurity”.

No wonder the First Minister’s Commission consulted twenty business organisations but not a single trade union.

That is not the sort of future the people of Scotland want . The people of Scotland want the growing problems in our NHS, in education, in housing and in our economy fixed.

And that is what the Labour Party wants to do.

Exactly a year ago this week, nearly 13 million people put a cross on a ballot paper for a radical Labour manifesto with an unflinching commitment for the first time in a generation to end austerity, to extend

public ownership, and to bring about a redistribution of not just wealth but of power.

Our task in the Scottish Labour party is to build on this radical platform to re-awaken hope out of despair and secure the return of Labour governments at Holyrood and Westminster.

Because the real division we face is not between the people of the four nations on these shared islands.

It is between the richest and the rest of us.

One in four children in Scotland are living in poverty at a time when the richest one per cent in Scotland own more personal wealth than the poorest 50 per cent put together.

That won't change by redrawing lines on a map it will only change with a redistribution of wealth, power and opportunity.

That is why we need to stop dividing people on the basis of nationality and start uniting people on the basis of class.

Only Labour can offer this unifying vision.

We've argued for a more progressive income tax system, and for consideration to be given to a wealth tax to tackle growing poverty and widening inequality.

Because there is nothing wrong with the old socialist principle of from each according to their means to each according to their need.

And this principle applies to business too.

The Growth Commission proposes an effective cap on corporation tax. At best it hands over control over the level it is set at to a state we have just withdrawn from. At worst it starts a race to the bottom.

Only Labour will make big businesses pay their fair share to invest in collective provision for all.

So I want to appeal to the people of Scotland, who in the past saw only one route to a fairer society, and say to you that it is the Labour party which offers you that hope.

We are offering people not another decade of austerity but a decade of investment.

Only Labour's plans provide a transformative £70 billion to invest in Scotland over ten years prioritising health, education, housing, and jobs.

Only Labour has a radical strategy which puts full employment at its heart ending complacency about real unemployment and ending insecure work.

Only Labour is proposing a £10 per hour real living wage giving 430,000 people in Scotland a pay rise.

Our young people especially are more likely to be employed in insecure work, on zero hours contracts, or short term contracts, or stuck in agency work.

Only Labour working with the unions will tackle that.

We do not have full employment, which is why we have made real full employment part of our agenda for real change - and a clear goal of public policy again.

We need an industrial strategy. We will advocate policies that start to shift power from the market to the people.

The hollowing out of BiFab in recent weeks shows that we cannot carry on with business as usual.

It is not enough to lurch from one defensive rescue to the next. We need forward planning, economic planning and also environmental planning to tackle humanity's greatest challenge - climate change.

We need democracy in our economy, not just when things go wrong, but to help things go right in the first place.

Let me be clear about this: as far as the Labour party is concerned trade unions have a central role to play in the new economy, not just

defending their members, but using their members' knowledge, skills and capacities to plan for the future.

In our industrial strategy we want to show people that through a new approach to long term investment by unleashing innovation and the ingenuity of working people we can herald a renaissance in our manufacturing industries.

And we will seek out new ways, modern forms of democratic planning in the economy.

That is clear choice between Labour and the SNP.

We seek to put economic power directly into the hands of the people to drive forward growth from the bottom up with an active interventionist role by government.

The SNP seeks to make Scotland even more of a branch plant economy, over dependent on overseas board rooms and volatile foreign direct investment.

This summer the First Minister should put the NHS before the SNP and sort out the problems in our public services.

But Nicola Sturgeon plans to spend this summer convincing her own party members of the case presented by the Growth Commission:

A fiscal agenda in thrall to big business and slavishly following the mantra of deficit reduction.

Trade with our nearest neighbours put at risk by a sense of political isolationism.

No space for trade unions or workers' rights as part of a strategy to promote economic growth.

That's not just the Tory vision for the economy – it is now Nicola Sturgeon's too.

So, this summer, Lesley and I shall be travelling across Scotland. Listening to the lived experiences of working people, retired people,

young people, EU and non-EU migrants health and social care workers, private and public sector workers, not for profit organisations, housing providers and tenants' groups, businesses and trade unions.

We want to share with everyone how the Labour party in government will improve lives in Scotland and the rest of the UK.

We want to share how only the Labour party can offer this unifying vision.

Austerity is a political not an economic choice. And it is the choice being taken by both Ruth Davidson and Nicola Sturgeon.

That is the new dividing line which has opened up in Scottish politics: the SNP and the Tories on one side promoting another decade of austerity and public expenditure cuts and Labour on the other promoting a decade of real and sustainable investment in public services and our economy.

The choice now couldn't be clearer. The austerity economics of nationalism or the transformation of Scotland's economy in the UK with Labour.

So my appeal is to anyone who shares this vision of the new society we must build, of the new economy we must construct, is to join us.

Come and be part of this movement for real change. Let us build a society with decent houses, decent jobs, decent public services which provides for people from the cradle to the grave.

It is a cause which is international, it is a hope which is eternal, it is the call of history to this generation.

So let us make a start today and let us make a start by welcoming our new Deputy Leader, Lesley Laird.