

# **David and Ed Miliband answer questions for Left Foot Forward**

**\*\*\* EMBARGOED TO 00.01HRS, MONDAY 6 SEPTEMBER 2010 \*\*\***

For further information please contact Shamik Das on  
[shamik@leftfootforward.org](mailto:shamik@leftfootforward.org) or 07790 895439



**Do you support Alistair Darling's plan to halve the deficit in 4 years with a 2:1 ratio? If not, what is your preferred approach to deficit reduction?**

**David Miliband:** Yes. It was working to nurture the recovery and jobs. Our plan to cut the deficit involved tough decisions but would have been based on Labour principles: protecting front-line services, prioritising jobs and making sure those with the broadest shoulders pay more.

The Tories want to say that we are in denial about the deficit. They are the ones in denial – they said their budget was fair and it wasn't. We should not fall into their trap. We need to be putting the boosters behind growth, not undermining it.

To tackle the deficit sustained economic growth has to be the cornerstone of any plan.

**Ed Miliband:** That is why I would protect government spending that is designed to strengthen British businesses and job creation. It is why I think the government got it badly wrong when it decided to cut support for the industries of the future, for example by scrapping the loan to Sheffield Forgemasters and doing away with Regional Development Agencies.

But, of course, growth alone won't be enough. There is a need for both reductions in public spending and tax rises. Alistair's plan would have required lower cuts than George Osborne's austerity budget and should be our starting point for the future but it's also right to keep the pace of reduction under close review as economic circumstances change. We must retain flexibility whilst the UK and global economy are so uncertain.

What I would change is the ratio of tax and spending in the deficit reduction plan as I think we can do even more to protect the public services we all rely on and the universal benefits like the winter fuel allowance and child benefit that the coalition are preparing to axe, despite David Cameron's pre-election promises.

So I would raise taxes on the banks, by up to an additional £5 billion, and use this resource to protect the entitlements that help those on middle and low incomes and to better protect our public services. This changes the ratio of tax rises and spending cuts compared to the plan set out in government but will ensure that the banks and bankers who are responsible for the financial crisis contribute most to reducing the deficit.

**Do you support a mansion tax or some other form of wealth tax?**

**David Miliband:** If we need to raise taxes they should be fair – a Mansion Tax on houses over £2 million would be fairer than cuts to benefits that hit the poorest families.

**Ed Miliband:** At a time when even the Tories accept that there is a need for tax rises to tackle the deficit, it is more important than ever that we have a fair and progressive tax system in the UK. I think it is right that income should be a key factor in determining direct tax rates but the tax system should also take into account wealth as well, as it already does to some extent, for example with inheritance tax.

I am clear that Labour under my leadership will fight the next election on a tax plan which represents fair taxation, protecting those on low and middle incomes as well as our public services.

**Do you think the 50p tax rate should be permanent? If not, when would you look to scrap it?**

**David Miliband:** It should certainly stay this Parliament – and we should make tax policy one Parliament at a time. Tax policy should always be progressive.

**Ed Miliband:** Yes, it should be permanent. In part this is a matter of deficit reduction, but this is also a matter of fairness. Our tax system must be progressive and that means people on an income of over £150,000 should make a bigger contribution. Those on middle and low incomes should be confident that Labour is on their side and will put their interests first. If it's possible to make tax cuts in the future I would prioritise these groups, not the most affluent.

## **Would you make tackling income inequality a specific goal of a Labour government?**

**David Miliband:** Absolutely. The gap between rich and poor matters and we need to attack income inequality with all the tools at our disposal. That means taking action 'upstream' in the structures of society and not just compensating in the welfare system.

So we should campaign for a living wage. I want to reform corporate governance so employees have representation on re-numeration committees and say in top pay. And I want to extend rather than cut the employment guarantee of the Future Jobs Fund.

**Ed Miliband:** Yes. It is the right thing to do for people on low incomes and it is the right thing to do for society as a whole. Strong, cohesive societies are ones in which hard work is fairly rewarded. More unequal societies are less well off in a range of ways, for example suffering with poorer physical health, poorer mental health and higher crime rates.

New Labour was too cautious on this issue, and as a result, despite us being the most redistributive government in history, inequality rose. So we need a different approach that targets the fundamental causes of inequality rather than focusing on just trying to use redistributive payments to correct for failures in our economy. That is why I am so passionate about a living wage and want to see tax cuts for responsible businesses who pay a living wage.

Many people are surprised to discover that taxpayers are paying more than £6bn each year subsidising low wages in our economy and I want that to end – improving pay and saving money for government. I want a High Pay Commission to sit alongside the Low Pay Commission and address the unfairness that comes when a banker earns in a week what their cleaner earns in a year. And I want a new industrial activism to build a new economy less reliant on low-wage, low-skill jobs and better at investing in people and in skills.

**The Committee on Climate Change called for “almost total decarbonisation of electricity by 2030”. Would that begin to happen if you were leader?**

**David Miliband:** Yes. In Government we got the legislative framework in place but we now need to turn laws into action. As a start we should aim for a major programme of energy efficiency through retrofitting domestic and commercial properties, paid for by future savings on energy bills.

We need to diversify our energy mix with more electricity from nuclear and renewable sources. I am also a big supporter of electric cars. I think they are very important – as long as the electricity is generated from renewable sources.

I am deeply worried that the Government cannot deliver this. Chris Huhne has stalled on the Green Investment Bank and their tightening of planning laws has put renewable projects at risk.

**Ed Miliband:** Under my leadership Labour will work to bring about a revolution in Britain’s energy system. I want to see around 40 per cent of our electricity coming from low carbon sources by 2020, en route to an almost complete decarbonisation in the 2030s. Most of this will come from renewables, including wind, marine, solar and sustainable bio-energy.

We already have more offshore wind-power than any other country in the world, and our plans could see this increase up to forty-fold.

Alongside this we need to facilitate a new generation of nuclear power stations and a world-leading programme of four clean coal plants with carbon capture and storage technology. Labour banned unabated coal fired power stations – the only government in the world to have done so.

These plans are under threat from the coalition.

Climate change is the biggest threat our country faces which is why it must be central to everything we do. Under Labour we went further than any other country in the world, and lots of countries followed our lead.

We were the first to put binding carbon targets into law, we created the independent Climate Change Commission to monitor progress and hold the government to account.

I hope the coalition doesn't back away from the progress we made but it is already betraying its promise to be the greenest government ever.

I read recently that the coalition plans to scrap Labour's Green Investment Bank – a billion pound fund to invest in low-carbon industry for Britain's future. They are also planning cuts to schemes that subsidise household generation of renewable energy. That's not the right way forward.

Unless we go ahead with the plans I set out as energy secretary we will never achieve the greening of our energy supplies that we need.

Instead of creating uncertainty and delay, the coalition should reaffirm the commitments made by the previous Labour Government.

**Do you believe the Coalition is right to have abolished Section 44 stop-and-search powers and ID cards? Are there other pieces of legislation, criticised for their infringements of 'civil liberties', that you would like to see repealed?**

**David Miliband:** On section 44, we didn't pass it to prevent people taking photographs and stop and search powers must be used sensitively. It was abused and that's wrong.

On ID cards we failed badly to develop a coherent case.

We were wrong on 90 days but it is not on the statute books. I have argued for ten years that Labour must combine a social democratic commitment to social justice with a liberal commitment to individual freedom. That must drive our politics.

**Ed Miliband:** Yes. This is another example of where I want Labour to change and move on from the approach taken by New Labour. I think in government we were too casual about people's liberties and that undermined many of the good things we did like CCTV.

We must protect people's security, but in a way that shows we are serious about avoiding an overbearing state. So we should say yes to CCTV, but never again to compulsory ID cards, 90 or 42 days' imprisonment without charge and Section 44.

**What further changes, if any, would you look to make to the immigration system?**

**David Miliband:** I think we ended up with the right policy on immigration but we took too long to get there. And the truth is that many of the complaints about immigration that we all get on the doorstep are proxies for wider issues such as housing and welfare. We need an immigration system fair to those who come here and fair to those who want to come here.

**Ed Miliband:** I believe immigration is good for Britain and I take great pride from the experience of my mother and father coming to Britain before and after the Second World War, that Britain is prepared to welcome those who do come and settle here. Of course, there also need to be rules, including a points-based system for immigration. What we must show we understand is the different impacts that immigration has on different groups in society.

Immigration is a class issue because of the varied impact it has on people depending on their economic circumstances. So alongside free movement of labour in Europe, you need to protect the workforce from having their wages and conditions undercut and deal with other underlying concerns, like housing. Only by talking and responding on these issues can we remain the relatively open society that we are.

**Will you carry out your own Strategic Defence Review? Could a system other than Trident be the right defence and financial choice for Britain?**

**David Miliband:** I think it is right that we constantly hold the Government to account on their defence policies and renew our own. They will soon finish their Strategic Defence Review but we will need to vote on Trident – this Parliament. We should do so with full debate – better than in 2006.

Trident requires fewer warheads than other systems – that is why it is a minimum deterrent. We should always keep costs down. And we must continue Gordon Brown's role as a world leader in the drive for a world without nuclear weapons.

**Ed Miliband:** We need to look very carefully at the issue of Trident and I share Des Browne's view that it should be included in the Strategic Defence Review. I believe in multilateral nuclear disarmament and that means maintaining an independent nuclear deterrent but seeking progress in multilateral disarmament and non-proliferation discussions. But this should be the minimum capability consistent with protecting our national security and that is why inclusion in the Strategic Defence Review is the right answer for Britain.

I would seek reductions in the capabilities of other nuclear powers and binding commitments from those nations not adhering to or not bound by the non-proliferation treaty. I think there is a strong case for carrying out our own Strategic Defence Review so that we can give appropriate scrutiny to the Government's plan.

**Will you lead the Shadow Cabinet and broader party to campaign for a Yes vote on AV?**

**David Miliband:** I support AV but I don't support the poison pills in the Government's Bill. We must continue to campaign for a separate AV Bill. The Lib Dems are giving parliamentary reform a bad name.

**Ed Miliband:** I support AV for the House of Commons and will campaign for it. I think it is right that we make politics more accountable, and ensuring that MPs have greater than 50 per cent support in their constituency would be an important step in the right direction alongside a fully elected House of Lords and wider reforms to our political process, including to party funding. But before we get there we need to defeat the Coalition's efforts to link electoral reform with a wholesale gerrymandering of parliamentary boundaries.

**Will you reform party structures to give members a greater role in policy making? If so, what changes will you make?**

**David Miliband:** Yes. That's why I want a Labour Party chair democratically elected as a stronger voice for members. I also want Labour's leader in local government in the Shadow Cabinet.

**Ed Miliband:** A Labour Party member in Cornwall, Nick, put it best when he said to me that New Labour had behaved as if "the role of the Labour leader is to protect the country from the views of the members of the Labour Party". Times have changed since the 1980s and we need to move on from the New Labour view that that our party and our movement are not a vital part of how we govern in the interests of all Britain. Unless we change this style of leadership we will never change society in the way we aspire to do because we will never have the political movement we need.

Anyone who thinks that listening to our party is somehow pandering is doing them a great disservice. Indeed, if we had listened more to them, we would have been a better government not a worse one: on housing, on agency workers, on tuition fees.

So I will introduce an elected party chair to provide a stronger voice for members and I want to see party members far more involved in the policy making process with a stronger process for helping members get involved in the National Policy Forum process. I'd like to see local parties sending more delegates to conference and I'd also like to see members speaking in more debates at conference.

**\*\*\* ENDS \*\*\***