Sunak unveils UK government of austerity and war

Robert Stevens
25 October 2022

New Conservative Prime Minister Rishi Sunak’s speech on entering Downing Street made clear that this near billionaire will act on the dictates of the financial oligarchy he himself epitomises.

“I am standing here as your new Prime Minister,” he intoned. “Right now our country is facing a profound economic crisis. The aftermath of Covid still lingers. Putin’s war in Ukraine has destabilised energy markets and supply chains the world over.”

The prime minister he deposed, Liz Truss, had made “some mistakes… I will place economic stability and confidence at the heart of this government’s agenda. This will mean difficult decisions to come.”

Sunak offered as his credentials his rolling out, as a former chancellor, of the multi-hundred-billion bailout of the corporations at the outset of the pandemic.

The “difficult decisions” he cites is code for imposing the most savage austerity yet on the working class, as demanded by the markets that tore down Truss for not being ready to impose such an offensive immediately. The financial elite insisted that Jeremy Hunt be urgently brought in to replace Kwasi Kwarteng as chancellor to tear up the unfunded tax giveaway budget for big business and replace it with “eye-wateringly” brutal austerity.

Sunak has now carried out a major clear-out of 11 of Truss’s ministers, but ensured that Hunt is kept as chancellor. In less than a week, on October 31, Hunt will present—as demanded by the global financial aristocracy—an emergency fiscal statement focused on escalating austerity against the working class.

There will no increase in public spending, while billions more will be diverted to fund the war machine. Sunak announced as a priority “supporting our armed forces” to back “a terrible war that must be seen successfully to its conclusions.”

On this basis he retained Ben Wallace as defence minister. Last week, Wallace, even as Truss was being wiped out, travelled to Washington to assure the Biden administration of Britain’s full backing of the US-led NATO war against Russia in Ukraine. Biden congratulated Sunak on Tuesday, tweeting, “I look forward to enhancing our cooperation on issues critical to global security and prosperity, including continuing our strong support for Ukraine.”

As Sunak entered Downing Street, the British Army were deploying nearly 3,500 troops and up to 800 vehicles to Europe for their largest combat exercise on the continent for over a decade. The troops were part of Exercise Cerberus 22, a large-scale command post exercise, taking place in Germany. In a threat to Russia, a British Army Statement said that “the exercise, previously held in the UK on Salisbury Plain Training Area” was taking place in “its new central European location to test its ability move personnel and equipment on a large scale and to operate in an expeditionary setting rather than being close to home.”

Colonel Owain Luke, chief of staff, Headquarters 3rd United Kingdom Division (3 (UK) Div), which is running the exercise, declared, “In addition to British brigades on the exercise… we are also joined by the 3rd Brigade Combat Team from the American 1st Cavalry Division. This exercise is also about building our interoperability with US Forces as well as aligning with NATO procedures and working under Headquarters Allied Rapid Reaction Corps.”

While Sunak has not yet committed, as Truss did, to increasing military spending to 3 percent of GDP by the end of the decade (£157 billion in extra funding) he will be told in no uncertain terms by Washington to do so.

Among the few others who retained their positions
from the Truss government is Foreign Secretary James Cleverly. Cleverly only entered parliament in 2015, but has positioned himself as a leading anti-China hawk. In line with US imperialism’s confrontation with China, and Britain’s increasingly provocative manoeuvres, Cleverly said in the summer, “we do need to look at China’s influence, not just on the world stage but here in the UK.”

Dominic Raab, who served under Boris Johnson, returns as deputy prime minister and justice secretary. In the summer, before being sidelined by Truss, Raab introduced in parliament his Bill of Rights, which is set to replace and eviscerate key provisions of the Human Rights Act.

Suella Braverman, a vicious right-winger, resigned from Truss’s government last week after being in breach of the ministerial code and launched an attack on her for not being firmly committed to anti-migrant measures. Sunak reappointed her as home secretary. She is charged with extricating Britain from the European Convention on Human Rights (ECHR) after lawyers for asylum seekers used it to halt a deportation flight to Rwanda sanctioned under the Nationality and Borders Act. She wrote in Parliament’s House magazine in July, “Leaving the ECHR is the only solution which solves the problem,” claiming it would be “entirely consistent with international law.”

The financial markets were immediately buoyed by Sunak’s appointments and pledges, with the pound hitting its highest level since before the Truss/Kwarteng mini-budget. The cost of government borrowing fell back to the level it was before the budget.

This is just the calm before the storm in which Sunak’s agenda will be shipwrecked. He has an appointment for a head-on conflict with the working class. Sunak must go on the offensive under conditions in which decades of attacks have forced workers to mount the fightback seen in this summer’s strike wave. As millions of workers fear even switching on the heating due to enormous annual bills that are set to soar above £4,300 next April, the country is being run by a prime minister who is expected to spend £14,000 just to heat a swimming pool at one of his four mansions.

Despite the trade union bureaucracy doing all they can to dampen down the movement, struggles so far have included rail, postal, bus, port, refuse workers and barristers. Strikes involving up to two million public-sector workers are in the offing in the next weeks and months. This week, 70,000 university lecturers, librarians and admin staff at 150 universities voted to strike to demand better pay and working conditions and to defend their pension rights.

Sunak is faced with a modern-day version of the 12 tasks that even Hercules would balk at. The Financial Times warned in an editorial ahead of the cabinet being selected of “Rishi Sunak’s uphill struggle to restore British stability,” as “the former chancellor was the least bad option to be the next Conservative premier.”

It added, “The party has also changed leader for a second time midterm through a deeply undemocratic process of its own devising… If Sunak cannot quickly restore stability, an election will be unavoidable.”

Moreover, “He inherits a deeply fractured party facing decisions on issues such as spending and immigration that will inflame the faultlines. Sunak is under pressure from the rightwing to scrap post-Brexit trading rules with Northern Ireland, poisoning relations with the EU.”

The sordid changeover to yet another unelected Tory prime minister was only possible due to the role of Labour and the trade union bureaucracy, which have kept the government afloat during the last seven years of ever deepening crisis for British capitalism.

Labour’s role as bitter enemy of the working class was demonstrated by the tweet party leader Sir Keir Starmer issued Tuesday. He has called for a general election, which Labour, backed by sections of the ruling class, see as vital for the rescue of British capitalism. But his first move as another bitter enemy of the working class entered Downing Street was to declare, “Congratulations, Rishi Sunak, on becoming Prime Minister and making history as the first British Asian PM.”