

Andy Burnham's cabinet of austerity and war

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The Cabinet of incoming Labour Prime Minister Andy Burnham convened in Downing Street on Tuesday. Its personnel reflect an intensification of the Starmer government's agenda of austerity and ramped-up of military spending.

The most significant appointment is that of former Defence Secretary John Healey as Chancellor, replacing Rachel Reeves. It reassures the financial markets and the military that the priority of the British state is rearmament and war.

Healey was the one mainly responsible for Starmer's exit. He resigned demanding a massive increase in military spending, denouncing Starmer and Reeves as "unable and unwilling" to commit the resources required. Attacking their Defence Investment Plan (DIP) settlement of an extra £15 billion over four years, he pointed to a £28 billion "black hole" in the Ministry of Defence budget, insisting the real shortfall was nearer £78 billion.

Healey resigned with the backing of the military brass, who were openly hostile to the DIP. The *World Socialist Web Site* noted July 3 that it was leaked to journalist Andrew Marr that Starmer's Defence Secretary Dan Jarvis "had [a] sentence saying that the chief of staff [Air Chief Marshal Sir Richard Knighton] backed the plan but, because it's not properly funded, they told him he had to take the sentence out".

Burnham has ensured the main crime of the Starmer government in the eyes of the militarist cabal who determine government policy has been corrected, with Healey now able to determine which social provisions are dismantled to fund the rearmament he demanded.

The significance of Healey's appointment was underscored by the *Financial Times* with associate editor and columnist Stephen Bush commenting with satisfaction in a piece, "Burnham breaks with Starmer era, except at the Treasury". He noted, "John Healey is widely expected to spend more on defence than Rachel Reeves... he is a fiscally orthodox politician... from the 'old right' who is not going to have any time for unorthodox changes when it comes to the

public finances. Neither will his new chief secretary Emma Reynolds, a Blairite."

The article concluded, "It surely precludes big changes in fiscal policy... It is just not obvious how this new government is going to be able to be meaningfully different, given the promises it has bound itself to on tax and the limits it faces, therefore, on spending."

Wes Streeting, the former health minister whose resignation also fatally weakened Starmer, has been rewarded with Healey's old post at defence. His qualification for the job was a record of demanding cuts to the National Health Service (NHS), denouncing striking resident doctors as "unreasonable" and "reckless", warning they would "lose a war against this government", ordering all 42 integrated health care boards to halve running costs and handing £2.5 billion to private health firms.

By refusing to back down to the demands of health workers, Streeting is seen as crucial for a government tasked with shifting tens and hundreds of billions of pounds from health, education, housing and welfare into the military's coffers.

The other main offices of state are held by pillars of the Starmer government and trusted representatives of the ruling class.

Shabana Mahmood remains Home Secretary, with Burnham going out of his way to hail her anti-immigration offensive. Her credentials rest on having enforced the most far-reaching attacks on democratic rights in decades, including the National Security (State Threats) Bill rushed through Parliament within the space of a month. Mahmood is seeking to maintain through the courts the Starmer government's dictatorial proscription of Palestine Action—which has led to the arrests of more than 3,300 peaceful anti-genocide protesters.

The post of foreign secretary was handed to former party leader Ed Miliband. Mooted as a possible chancellor, Miliband was backed by the two dozen MPs making up the Socialist Campaign Group.

In his 2010 campaign to be Labour leader, Miliband

declared himself pro-business as he hailed the governments of “Tony [Blair] and Gordon [Brown]”. Up to his loss in the 2015 general election, he led the party on a programme of “Tory-lite” austerity and immigration controls. Nonetheless, the appointment as chancellor of someone once farcically dubbed “Red Ed” by the most frothing and deranged sections of the right-wing media was never going to be permitted in ruling circles.

Taking the Foreign Ministry, Miliband’s first statement denounced “Russia’s illegal war in Ukraine”, establishing his commitment to NATO’s own campaign of aggression and funding of Kyiv. Seeking to allay any fears of the Trump administration over his appointment, he pledged to “nurture our strong, enduring and essential alliance with the United States” and promised UK assistance in reopening the Strait of Hormuz.

In continuity with the Starmer government, the word “genocide” did not pass Miliband’s lips as he spoke of seeking “a sustainable peace in Palestine and Israel” and “security for the people of Israel”.

The continuity of British imperialism’s predatory foreign policy as the junior partner of the United States is underscored by the retention of another arch-Blairite, Jonathan Powell, as National Security Adviser. Powell was Blair’s chief of staff as the former Labour prime minister conspired with the US administration of George W. Bush to invade Iraq based on lies about Baghdad threatening the world with “Weapons of Mass Destruction”.

Equally revealing is the retention of Pat McFadden as Work and Pensions secretary. A long-standing Blairite, second-in-command in Starmer’s purge of the Corbynite left, McFadden is tasked with slashing the welfare bill, a non-negotiable demand of big business and their mouthpieces to pay for rearmament.

Burnham promised, in set-piece interviews with the *Times* as he prepared to return to Westminster, that he would not “be squeamish” about cutting the welfare bill and increasing military funding. Under Starmer, McFadden boasted of halving the health element of universal credit for new welfare claimants—saving £1 billion a year by 2031 and, according to the Institute for Fiscal Studies, up to £7 billion annually in the long-term.

Veteran Blairite Jim Murphy, former leader of Scottish Labour, told LBC that McFadden is “the only person that Tony Blair phones for advice.”

Another Blairite, Yvette Cooper, architect of the Palestine Action ban, takes over as health secretary to deepen the assault on the NHS begun by Streeter and James Murray.

Burnham came to office presenting himself as Labour’s “last chance” amid the party’s collapse in the polls. He pledged to reverse the 40 years of “neoliberalism”

inaugurated by Margaret Thatcher and to give people “some breathing space now, some help with the cost of living”.

At Tuesday’s cabinet, with the media invited in, he declared his was a “cost-of-living government”. How threadbare this is was clear with his first policy announcement to scrap VAT sales tax on domestic electricity bills from October 1.

The measure, set to cost the Treasury just £850 million annually, will not apply to gas bills, will last just six months and saves a typical household just £45 annually, or 86 pence a week—against annual bills typically well over £2,000 for many families. Its effect will be almost immediately wiped out, as the Ofgem energy regulator price cap is forecast to rise 3.1 percent, with a further rise expected in January.

But after Darren Jones, Starmer’s discarded chief secretary to the Treasury, said the digital ID scheme scrapped to fund it was itself “unfunded”, meaning the Burnham government would “have to set out how it will pay for its new policies at the budget”, even this paltry measure provoked a right-wing backlash.

The *Financial Times*, in an editorial published before the VAT policy was announced, noted Burnham was considering rent freezes, along with cuts to bus fares and energy bills. He was given his marching order that while “such measures might cheer some voters, more intervention in private markets will do little to revive business confidence, and additional spending will put further strain on the UK’s already stretched public finances.”

Instead, “the incoming government needs to develop a plan for growth that revives animal spirits in the private sector, rather than Burnham’s push for a more interventionist state that harks back to the pre-1980s era.” To contain borrowing costs, Burnham should “set out a credible plan for reducing public spending, particularly the spiralling expenditure on disability benefits.”



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