

After the Lord Mayor's Show...

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Though I'm sure that ardent anti-monarchists and Republicans will claim that the ten-day period of mourning which culminated in the funeral for Queen was far too extravagant and, at times, sentimental, the spectacle was, as intended, impressively magnificent.

Events since the Queen's death and, of course, her funeral, were purposely meant to be a display of the importance she enjoyed as the head of the Church of England and Commander-in-Chief of all military forces.

The schedule of events involving moving the Queen's body from Balmoral to London via Edinburgh and eventual internment at Windsor Castle had been meticulously planned for many years.

Though the Queen's death was inevitable, its occurrence still came as a shock to a nation who'd seen a picture of her only a couple of days before when she greeted the 15th Prime Minister of her reign, Liz Truss, at Balmoral to grant her permission to form a government in her name. Once the Queen's death was announced, 'Operation LONDON BRIDGE' was activated (Wickham, 2021).

This plan included the contingency of the Queen dying in Balmoral. Codenamed 'Operation OVERSTUDY', her body was, because of "safety fears" flown from Scotland to London rather than using the Royal Train in a specially adapted glass carriage to allow her coffin to be viewed as it passed through Scotland and England (Furness, 2022).

Ten days of national mourning ended with Monday's state funeral at Westminster Abbey followed by a procession of the Queen's coffin on a gun carriage through London before being driven to Windsor where there was a public committal service in St. George's Chapel at Windsor Castle. Finally, and in private, the Queen was interred in the castle's King George VI Memorial Chapel with her parents, husband and younger sister who predeceased her.

Which brings me to the title of this week's blog.

The etymology of "After the Lord Mayor's show" is usually assumed to mean the main event before the more mundane and unglamorous activity of cleaning afterwards. As viewers of Monday's funeral noted, horses tend to leave a mess which is what must be cleaned up.

This allows me to contrast the situation facing two new leaders, King Charles III and Prime Minister Liz Truss face.

King Charles, who will be 74 on 14th November, has spent his adult life waiting to fulfil a role which is his birth-right. Whether he enjoys the same respect and, it must be acknowledged, affection his mother enjoyed, remains to be seen.

The main thing he has to do is be King and avoid controversy. King Charles' should merely continue the stability his mother imbued within the role of being monarch.

Commitment to neutrality is essential.

Whatever changes King Charles III wishes to make, being seen as continuing the approach his mother applied to management of 'the Firm' will be expected.

Liz Truss, on the other hand, will not be expected to continue the style and approach adopted by her immediate predecessor, Boris Johnson.

Significantly, it's over 70 days – ten weeks/almost three months – since Johnson was forced to resign as a cumulative consequence of his indiscretions including lying to the Queen about the need to prorogue Parliament, support for Owen Paterson and, of course, 'partygate' when he attended illegal gatherings during lockdown resulting in a fixed penalty fine.

The final straw for many MPs within Johnson's party was the way in which he handled the scandal caused by allegations of sexual misconduct by former Conservative Party Deputy Chief Whip, Chris Pincher. This led to the unprecedented sight over 50 of his cabinet ministers resigning which, eventually, forced him to quit.

Truss who three months ago was seen as merely a possible future leadership contender for the Conservative Party, has capitalised on a mood among party members to attempt to replace Johnson with someone who's arguably more hawkish and right-wing than he ever managed to be in his three years as leader and PM.

Espoused views by Truss during the leadership hustings was that though she vaguely subscribed to Johnson's belief in 'boosterism', she considered the burden of taxation to be too high and undermined confidence and entrepreneurialism.

Truss's ideology is explicitly aligned with the spirit of Thatcherism, the former Conservative Party leader still revered among many of the estimated 170,000 members.

So called 'Trussonomics' eschews redistribution.

'Trussonomics', according to George Monbiot (2022) writing in the *Guardian*, is the latest "toxic gospel of neoliberalism" which is based on tax cuts which will disproportionately benefit the richest, binning regulations, the implementation of 'investment zones' based on logic provided by right-wing thinktanks (2022).

Monbiot goes further in his criticism of what he believes will result in transfer of wealth from the poor to the rich, a full-scale assault on enemies of the people, the trade unions and, if that weren't enough "opening the floodgates for pollution and greenhouse gases and dismembering the NHS" (*ibid*). Add in the story that the new government wishes to scrap measures to deal with obesity in England and to remove the 'cap' on bankers' bonuses as a way to attract investment banks to the City of London and a very radical change may be about to take place.

According to the IFS (Institute for Fiscal Studies), it's calculated that the tax cuts being contemplated by Truss' Chancellor, Kwasi Kwarteng, will result in those on the highest incomes receiving in excess of 200 times more than those on lowest incomes.

What's at the heart of 'Trussonomics' is the credo that by implementing such tax cuts there will be what's referred to as trickle-down of money from the rich to the poor. However, as many economists point out, this has never been shown to be true (Forrest, 2022).

US President Joe Biden tweeted his view on Tuesday that he's "sick and tired" of this right-wing economic approach.

Dharshini David on the BBC contends 'trickle-down' may be the new 'levelling-up' which he considers highly questionable (2022). Moreover, he states, "rising income inequality could pose electoral challenges" and quotes from one thinktank which estimates that those on the lowest incomes in the UK are around a fifth worse off than their French counterparts (2022).

However, as needs pointing out, the situation which Truss faces now is very different to that facing Margaret Thatcher in May 1979.

For sure, inflation at just a smidgen under 10%, is uncomfortably high and may be compared to what was being experienced in the late 1970s. Though initially caused by supply-side problems following a once-in-a-century pandemic, Putin's monstrous action in Ukraine has created an energy crisis which, is undoubtedly as bad as the oil shock of 1973.

However, though the public finances were not good – remember we had to call in the International Monetary Fund in 1976 to provide a bailout loan – on 31st March 1979 the nominal total of the national debt was £87.7 billion (Bank of England, 1979). Given average inflation is 3.7% this would equate to £417.69 billion at today's prices.

According to the ONS (2022), UK public debt currently stands at £2.365 billion at the end of Quarter 1 (Jan to Mar) 2022, equivalent to 99.6% of GDP (gross domestic product). This figure was already huge before the pandemic but swelled by the need to support individuals and business during the crisis.

As Truss' final leadership contender, former Chancellor Rishi Sunak, who commenced as favourite (and topped the ballots among Conservative Party MPs), stressed, reducing this debt was essential.

Sunak was among many who believe that throwing extra public money around when the debt burden is so high, requiring some £100 billion annually to service, may be considered borderline reckless.

Truss believes that as well as reducing taxes by scrapping the 1.25% rise in National Insurance and 6% increase in corporation introduced by Sunak to reduce the UK's debt (at an estimated cost of £30billion), which will stimulate "growth, growth, growth" of 2.5% in GDP annually. This, she claims will make us collectively richer.

However, the cost-of-living crisis we're undergoing requires her government to borrow, in order to decrease the cost of energy to households and businesses.

No official estimate yet exists in advance of Friday's emergency 'mini budget' but it's speculated the government will need to borrow an additional £150 billion (BBC, 2022).

Staggeringly, the Treasury has stated it does not intend to publish a forecast of the UK's economic outlook to accompany Chancellor Kwasi Kwarteng's statement even though he's been given a draft estimate by independent forecaster the Office for Budget Responsibility (OBR) (Islam, 2022).

According to Wednesday's *Times*, the PM believes another reduction in stamp duty is needed to "push for prosperity" (Swinford and Zeffman, 2022).

As well as coming with a price tag of many billions, this intervention would merely make house prices even higher and more unaffordable than they already are for those on low income, particularly first-time buyers who've been increasingly excluded from the market.

As cynics assert, this is another ruse to ensure that those who own houses, skewed towards the old, most likely to vote in any general election, will not see the asset value of their property decline next year as has been predicted when interest rates are raised to 3.5-4% next spring to deal with inflation.

It's no wonder many are worried (Fletcher, 2022, Elliott, 2022).

Respected Financial Times commentator Martin Wolf argues that Truss has no mandate for the economic policies she intends to implement and that the consequences will “exacerbate today’s pervasive cynicism about politics and politicians” (2022).

As Wolf concludes, “Trust is easy to destroy, but hard to recover. This is why keeping one’s word matters. Britannia is not “unchained”. It is instead sailing in perilous waters. Can the new captain and first mate even see the rocks that lie ahead?” (*ibid*).

Many believe her premiership will be as disastrous as her predecessor. Raphael Behr writing in the Guardian believes that she will flip-flop on policies despite her desire to sound as resolute as her exemplar Margaret Thatcher was (2022):

“She reached her signature energy policy by way of a U-turn, having originally said there would be “no handouts”. There was a plan, but that had to change. Now there is a new plan. It will also change. I suspect this will be the theme of her time in Downing Street: supreme confidence attaching itself to objects of impermanence; an arrogance with power that styles itself as visionary while stumbling on the obstacles everyone could see coming; always a bold plan, never a mission accomplished.”

Significantly, as Christopher ‘Chopper’ Hope, Associate Editor (Politics) in an email to *Telegraph* subscribers writes, Mark Field, the former Conservative MP for the Cities of London and Westminster, and who had an extramarital affair with Truss, has presented his opinions on her immediate future in a blog on the website of Capital International Bank where he’s chairman.

As Hope explains, despite praising her “impulsive” and “buccaneering style” and being an “immensely energetic” politician with a “genuine passion” for ideas and policy development, Field thinks her ability to inspire the country through the extremely difficult times we’re about to experience is questionable. Field concludes any “political honeymoon” Truss enjoys “may prove very short.”

It may be surmised that the stance of Truss and her acolytes in Cabinet, who were chosen on the basis of unswerving loyalty – something she learnt from Johnson – is based on wisdom which has less worth than what’s left behind by horses in Lord Mayor’s Shows.

What’s worse, if the economic experiment Truss *et al* are about to foist on us goes wrong, we’ll all end up in the ‘brown stuff’!

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