

Rishi Sunak is the leader of the neoliberal pack when i...

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A theme emerged yesterday. It was of government and business indifference to real people.

P&O, backed by Dubai - which is a key government ally - [sacked 800 of its staff](#) on its ferries without any prior consultation. It could, because of Brexit. Its French and Dutch staff were not treated in this way. They had EU backed protection still. That P&O could do this was not an accident, whatever Tory MPs are saying: this is what they voted to deliver.

Elsewhere it was noted that Andrew Bailey, now boss of the Bank of England, but previously head of the Financial Conduct Authority [fell asleep during a meeting](#) about what would become one of the UK's biggest pension mis-selling scandals, according to people in attendance who were pressing the regulator to take faster action to protect those affected in the steel industry. He obviously did not care.

That was also apparent when the Bank of England [raised interest rates yesterday](#). They seemingly do not care that this measure, which can have no impact on the rate of inflation, will simply push more households in the UK closer to financial breakdown. It's not a sentiment with which they are familiar, so they dismiss it.

And then there was news of Rishi Sunak's preparation for the Spring Statement next week. As the [FT has noted](#):

An immediate EU-wide embargo on Russian oil and gas imports would send economic shockwaves throughout Europe and cause at least £70bn of damage to the British economy, chancellor Rishi Sunak has told colleagues.

Apparently, we cannot afford to help people being bombed in Ukraine. The words of appeasement drip like slime from the report.

But it's worse than that. The report continued, quoting The Treasury:

The chancellor is already struggling to address a looming cost-of-living crisis —

including inflation and higher prices for food and petrol — with rising energy prices alone set to impose a £38bn burden on households by the end of the year.

Asked about Sunak's comments, the Treasury said it was already spending billions to help households with their energy bills and would continue to "monitor the impacts that Putin's invasion of Ukraine is having on the cost of living here."

£38 billion, I would remind, is about the cost of the utterly failed NHS track and trace system.

It is less than 10% of the quantitative easing used to pay for that failed system and the rest of Covid measures.

It is less than 2% of what Sunak says the national debt is.

It's only a little more than the additional unexpected tax revenues Sunak will collect this year.

But, there's no suggestion that the £38 billion burden might be lifted to save the economy from recession. There is not even an awareness of the risk that we face.

As I wrote last night:



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When is it going to dawn on the Bank of England that we haven't got an inflation crisis? What we have got is an exploitation crisis as energy companies, banks and hedge funds extract profits that are going to crush the life out of millions of families.

#MileEndRoadEconomists

8:15 PM · Mar 17, 2022 · Twitter for iPad

Danny Blanchflower and I are the Mile End Road Economists, and we cooperate to spread messages such as this.

Sunak is not listening. He just wants to balance his budget, on the backs of the people of Ukraine, and the UK. Nothing else matters to him but his dogma.

I will be writing more about this over the next few days in the run-up to the Spring Statement (for which I will be in the Radio 2 studios, with Jeremy Vine). What I am already fearing is a repeat of his March 202 statement, where he wholly misread Covid. Now he is misreading the cost of living crisis, because like big business and the Bank of England, ordinary people do not matter in his equation.

The trouble is, he's got all his sums wrong, and those ordinary people will, I suspect, be coming back very hard on him in the next year as his desire to balance his budget breaks the finances of millions of households across the UK, which is what I anticipate.

And Ukraine won't forget either.