

Reeves pact with the neoliberal devils

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An email from the FT summarised the whole of the UK's news agenda as follows this morning:

UK

Rachel Reeves to rule out return to austerity after gloomy rhetoric draws criticism

Chancellor has warned of tax rises in her October Budget but will adopt a positive tone in Monday's conference speech

Labour conference to vote on Keir Starmer's winter fuel cut

Trade unions secure time to debate PM's decision to remove allowance from 10mn pensioners

Full marks to Labour in that case for setting the agenda. It's just that I think they would rather two things.

The first is that Rachel Reeves would prefer not to be digging herself out of an austerity hole that is entirely of her own making. There was no need for her to have made so much play of quite how bad things are now, but she has done so.

She has also entirely voluntarily committed to Jeremy Hunt's fiscal rule, which will require that she deliver austerity when there is no need to do so. Precisely for that reason, no one will actually believe her suggestion that this is not what she is going to deliver. She can try to put as much spin as she likes on whatever she might say, but the reality is that demanding cuts from ministers necessarily means that austerity will be delivered, and no denial will change that.

The second issue is just as much of her own making. Nothing required her to take on

pensioners via the abolition of the winter fuel allowance when, rumour has, Andrew Bailey at the Bank of England demanded a fiscal show of strength from her, or he would increase interest rates to supposedly support the value of the pound that was claimed to be at risk as a result of the return of a Labour government. That's partly because there was no such risk and also because I don't think even Andrew Bailey was that stupid (which is saying something). So this move, like that on the two-child benefit cap, was entirely of her creation, with Keir Starmer playing a supporting role.

Will the unions win this vote? I obviously hope so, as, no doubt will large numbers of Labour members.

Will that make any difference to Rachel Reeves and Keir Starmer? No, not at all. The [Single Transferable Party](#) will continue on its only known path, which inevitably leads to the economic destruction of the well-being of most in the country, all to enhance the wealth of a few, whatever the unions say at the Labour Party conference. That is what Reeves and Starmer have guaranteed in their Faustian pact with the neoliberal devils, and they will not break their word.

But the country will take note. And whilst Reeves will declare her optimistic belief that all is well with her in charge, I will maintain my alternative belief that her time in charge will be much shorter than she expects.