

IN OFFICE, BUT NOT IN POWER

By Jason Groves Political Editor

LIZ Truss was last night warned she was 'in office but not in power' as she issued a grovelling apology for blunders on the economy.

Speaking after new Chancellor Jeremy Hunt dismantled her tax-cutting plans, the Prime Minister acknowledged she had gone 'too far and too fast'.

COMMENT
It's time for the wise men and women of the Conservative Party to decide whether the loss of confidence in Mrs Truss is terminal. If it is, they must come to a solution - and fast - that can command the support of MPs and the millions of Tory voters looking on in horror.
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HAUNTED PM LEAVES WESTMINSTER LAST NIGHT



Showing the prime minister's often away from Parliament

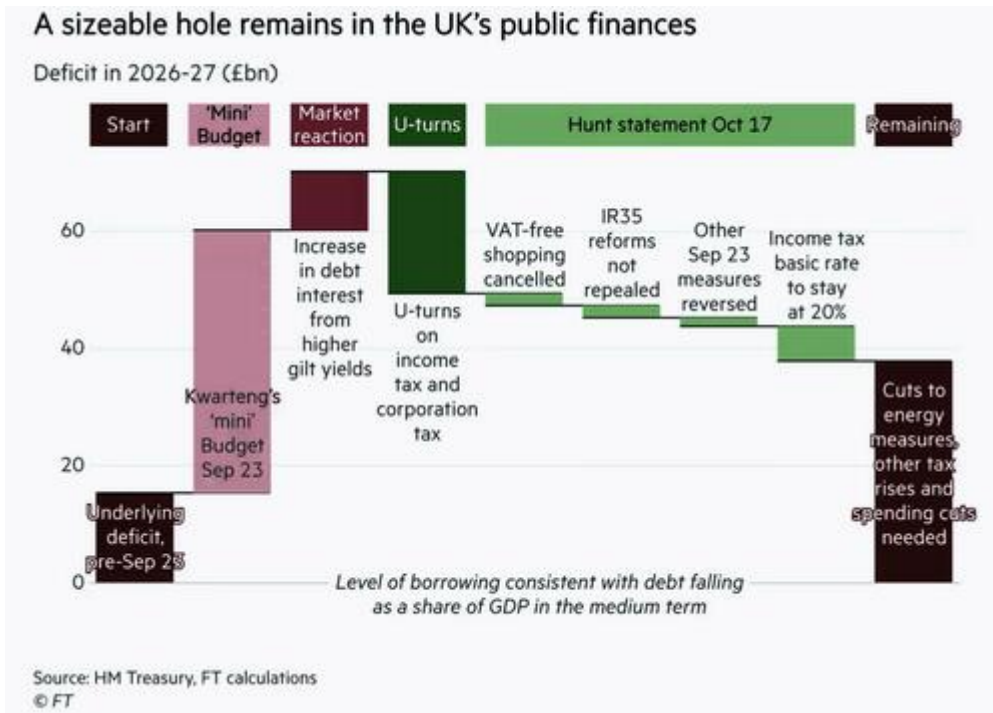
Liz Truss Says “Sorry” As Conservative Party Majority Now Wants Boris Johnson To Replace Her

Description

It has been a crushing week for UK Prime Minister Liz Truss, who just days after firing her Chancellor and uprooting her entire economic program (and according to some, burying not only the Queen but also the British pound and the Tory party), **apologized for threatening Britain’s economic stability** after she was forced to scrap her vast tax-cutting plans and embark on a program of “eye-watering” public spending cuts instead.

After weeks of blaming the markets and “global headwinds” for investors dumping the pound – which last week briefly crashed to record lows – and government bonds, Truss said she was sorry for going “too far and too fast” with her radical economic plan to snap Britain out of years of stagnant growth.

Meanwhile, markets, which plunged after her Sept. 23 “mini-budget” shock, are still under strain even after Truss’s finance minister Jeremy Hunt tore up her plans on Monday, and she is now fighting to survive, just six weeks after she became prime minister. The reason for that is that, as the [FT calculated](#), despite new finance minister Jeremy Hunt reversing most of the PM’s tax cuts that were meant to boost UK economic growth and signaling plans for tax increases and public spending cuts in his fiscal statement due on October 31, there is still a “sizable fiscal hole” just shy of GBP45 billion which needs to be filled for the UK to be on somewhat solid footing.



Hoping to reassure financial markets that the government was serious about balancing the books and cutting debt, Hunt curtailed Truss's scheme to cap all British households' annual energy bills at £2,500 on average for two years, saying it would end after just six months and he unveiled a new economic advisory council, packed with people steeped in Treasury orthodoxy. Or, as a recently-departed senior Treasury official said: **"Liz Truss picked a fight with economic orthodoxy and the orthodoxy won."**

"I do want to accept responsibility and say sorry for the mistakes that have been made," Truss told the BBC late on Monday.

"I wanted to act to help people with their energy bills, to deal with the issue of high taxes, but we went too far and too fast." She added she was "sticking around" and that she would lead the Conservatives into the next election due in about two years time, although the statement was accompanied by a laugh.

"I will lead the Conservatives into the next general election"

UK PM Liz Truss says she's "sticking around", but wants to "say sorry for the mistakes that have been made"<https://t.co/tF3eVA4iZm> pic.twitter.com/VQxhf61SSu

— BBC Breaking News (@BBCBreaking) [October 17, 2022](#)

It was not clear whether Truss's apology would quell a growing rebellion in her ruling Conservative Party, with a handful of lawmakers urging her to quit. Dozens fear they will lose their jobs at the next election, amid the recent staggering ascent of the Labour party.

“How can she not resign when her entire argument for the future of the country has been totally shredded?” asked one senior Tory, echoing the thoughts of many as Truss began her apology tour.

Even one of her ministers said she could not afford to make any more mistakes – something that could be difficult when her government looks for deep savings which could deepen an expected recession. Already Hunt has refused to guarantee the budgets of departments such as health and defense.

The humiliation was so epic that a new YouGov opinion poll suggested even those Conservative Party members who backed her for prime minister were having second thoughts. According to SkyNews, **the majority of Conservative Party members want Liz Truss to resign now – just six weeks after voting her in – and former PM Boris Johnson topped the list of who would be best to replace her, a new poll has found.**

As her position as prime minister hangs by a thread following a major U-turn on the majority of the mini-budget, Tory members are largely unimpressed with Ms Truss. The poll found 55% of members think she should resign now, while 38% believe she should remain.

And a majority (63%) think former PM Boris Johnson would be a good replacement, with 32% putting him as their top candidate, followed by Mr Sunak at 23%.

They also would support Mr Sunak as a replacement, with 60% thinking that would be a good idea, while 47% think new Chancellor Jeremy Hunt would be a good replacement.

On Monday, Truss – whose career may soon fall short to that of a lettuce – watched silently in parliament on Monday as Hunt demolished the economic plan she proposed less than a month ago, and which triggered a bond market rout so deep that the Bank of England had to act to prevent pension funds from collapsing.

For some in the party, the sight of a prime minister humbled in parliament provided little confidence she could fight on.

The Daily Mail, which had hailed Truss’s plan, ran a front page with her leaving parliament on Monday underneath the headline “In office but not in power”, while the also supportive Sun newspaper called her “The Ghost PM”.

THE SUN: The Ghost PM [#TomorrowsPapersToday](https://twitter.com/ZzuiC2xmlK) [pic.twitter.com/ZzuiC2xmlK](https://twitter.com/ZzuiC2xmlK)

— Neil Henderson (@hendopolis) [October 17, 2022](#)

George Osborne, the former Tory chancellor, has nicknamed Truss “PINO”, or ***“prime minister in name only”***.

James Heappey, a minister for the armed forces, said Truss, his boss, could not afford to make any more mistakes. Truss held a meeting of her cabinet team on Tuesday and was due to speak later to her lawmakers, who have been urged by some close to government to hold off from any move to ouster her before the government presents its full fiscal plan on Oct. 31.

Truss was elected by Conservative party members, **not the broader electorate**, on a promise to slash taxes and regulation to fire up the economy in a policy dubbed by critics as a return to 1980s Thatcherite-style “trickle-down” economics. And after a little rebellion by the bond vigilantes, who it turns out never left, she ended up doing precisely the opposite.

Separately, as noted earlier, the Bank of England said a report in the Financial Times about a new delay to the start of its sales of government bonds was inaccurate. The FT said it had learned that top officials were likely to decide a delay was needed after judging the gilts market to be “very distressed” in recent weeks.

Ryanair boss Michael O’Leary described Britain’s economic situation as a “car crash” which he blamed on the country’s decision to vote to leave the European Union in 2016.

But wait, it gets better: with Britain’s economic reputation shattered, **Hunt – who, again, was elected to cut taxes – now has to go further in finding public spending cuts than the government would have done had Truss not unleashed her economic plan at a time of surging inflation!**

by Tyler Durden

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