

Anatomy of a Tory Party U-turn



■ **Sep 6:** **Liz Truss** (left) becomes British prime minister

■ **Sep 8:** **Kwasi Kwarteng** (right), Truss' new chancellor, sacks Treasury permanent secretary **Sir Tom Scholar**

■ **Sep 23:** Kwarteng unveils "mini-budget" with **£45 billion** (€51.5bn) in unfunded tax cuts. Plan to eliminate **45p** top income tax rate of Britain's richest one percent – 600,000 people earning more than **£150,000** (€171,700) – would hand out some **£10,000** (€11,450) a year



■ **Sep 26:** Sterling hits record low against U.S. dollar. Price of Government borrowing soars as investors dump UK bonds. Yields on 30-year gilts hit more than **5%** – highest rate in 20 years



■ **Sep 28:** Bank of England launches emergency **£65 billion** (€74.4bn) Government bond-buying programme after sell-off in gilts market leaves some pension funds on brink of collapse and disrupts mortgage rates

■ **Sep 29:** Shock poll puts Labour on massive 33-point lead over Conservatives

YouGov/Times vote intention
(poll of 1,712 adults, Sep 28-29)

CONSERVATIVE 21%

LABOUR 54%

■ **Sep 30:** Truss and Kwarteng summon **Office of Budget Responsibility** to meeting. OBR says it will deliver economic forecast by October 7

■ **Oct 1:** Conservative conference kicks off in Birmingham

■ **Oct 2:** Truss is quizzed on BBC over her commitment to abolishing 45p tax rate. **Truss replies "Yes"**

■ **Oct 3:** Kwarteng issues statement saying tax cut has become "distraction" and Government will U-turn. **"We get it, and we have listened"**

■ **Kwarteng and Truss could now come under pressure to reverse other unfunded tax cuts, e.g. £13bn** (€14.9bn) reduction in national insurance, which gives most significant benefit to better-off voters, and **£17bn** (€19.5bn) plan to reverse corporation tax rise