

# **New Chancellor appointed as Truss u-turns on corporation tax**

**The Prime Minister made no apology to the electorate or members of her party when she spoke to the press this afternoon in a short address of just under ten minutes – followed by answering questions from The Telegraph, and journalists Harry Cole, Chris Mason and Robert Peston.**

There was little mention of u-turns on the mini budget which Kwasi Kwarteng the former Chancellor who held the position for only 38 days delivered on 23 September, except to say that the previous announcement of a rise in corporation tax will be reinstated. She claims this increase to 25% will raise £18 billion in tax revenue. This was a policy announced by former Chancellor Rishi Sunak, and one which the Prime Minister said she would not enact when in power.

The former Chancellor Kwasi Kwarteng left 11 Downing Street earlier having been sacked and amid letters to and from the Prime Minister making it clear that the Chancellor had not wanted to leave.

The only thing that can be said about the Prime Minister's

address is that her manner was serious and even a little more contrite than previous appearances. She reaffirmed her belief in growth in the economy.

*WATCH LIVE: Prime Minister [@TrussLiz](#) hosts a press conference: 14 October 2022 <https://t.co/iqppVBhORM>*

*– UK Prime Minister (@10DowningStreet) [October 14, 2022](#)*

SNP Westminster Leader Ian Blackford MP said: “Liz Truss has no credibility left. It’s now only a matter of time before she’s removed from office.

“The disastrous policies in the Tory budget were hers. She trashed the UK economy – and she’s to blame for the damage done to people’s mortgages, pensions and incomes.

“This U-turn is too little, too late. With her Chancellor gone, and her leadership platform junked, it’s unclear what justification there is for the Prime Minister remaining in post. No one can have any confidence in her failed leadership.

“The UK is now on the verge of its fifth Prime Minister in just seven years, and the UK economy is in yet another crisis of the Tories’ making. It’s never been clearer that Scotland needs independence to escape the constant crisis of Westminster control.”

Scottish Labour leader Anas Sarwar said: “Eleventh hour u-turns and scapegoating aren’t enough to salvage this shambles for Liz Truss.

“It’s not just Kwasi Kwarteng that needs to go. We need to remove all those that were involved in putting together this disastrous plan, and everyone that signed it off – not just the guy who read it out.

“It’s time to remove this economically illiterate and morally

bankrupt Tory party from government.

“We need a General Election now, so that Labour can boot this rotten Tory government out of office.”

Jeremy Hunt is not the alternative that we need, according to the Scottish Greens, who have called for the Prime Minister to resign.

The Scottish Greens economy spokesperson, Maggie Chapman MSP, said: “Kwasi Kwarteng may have been the worst Chancellor in modern history, but Jeremy Hunt is not an alternative.

“Anyone who thinks that Hunt is the answer is definitely asking the wrong question. He has backed the same vicious cuts and austerity as Kwarteng has, and supported every piece of repressive anti-migrant legislation. As Health Secretary he went to war with doctors and nurses and inflicted even greater privatisation on the English NHS.

“The mini-budget may have instigated the current chaos, but Kwarteng did not act alone. He was delivering the Prime Minister’s policies. She cannot carry on with any credibility when she is even more implicated in this mess than he is.

“It’s not just the corporation tax cut that needs to go, it is the brutal economic vision that underpinned it and the Prime Minister who delivered it.

“There are also big questions for Scottish Tory leader, Douglas Ross, who urged the Scottish Government to replicate these same terrible policies.

“The Tories keep talking about the importance of stability, but this is the fourth Chancellor we’ve seen this year. We cannot go on like this. Simply replacing one brand of Tory with another is not good enough. We need the real, structural and fundamental change that can only come with independence.

“With the powers of an independent country, we can create a

welcoming Scotland that is fairer, greener and more equal. A Scotland for everyone, not just the super-rich.”

Scottish Liberal Democrat leader Alex Cole-Hamilton MSP said: “Liz Truss seems determined to push economic instability. She sacked a minister for introducing her own policy, a policy that led to soaring mortgage rates and market chaos. On top of that, she’s now decided she doesn’t like cuts to corporation tax but has brought in a chancellor who loves them.

“This Tory government has plummeted public support to some of its lowest-ever levels and caused financial misery for millions up and down the country.

“Change is in the air; it’s time for new hope. That starts with a general election to get both Truss and the Tories out of power.”

The King has in the meantime approved the following appointments:

- Rt Hon Jeremy Hunt MP as Chancellor of the Exchequer
- Rt Hon Edward Argar MP as Chief Secretary to the Treasury
- Rt Hon Chris Philp MP as Paymaster General, and Minister for the Cabinet Office

## **The Prime Minister’s Press Conference remarks on 14 October 2022 in full:**

Good afternoon,

My conviction that this country needs to go for growth is rooted in my personal experience.

I know what it’s like to grow up somewhere that isn’t feeling the benefits of growth.

I saw what that meant and I am not prepared to accept that for our country.

I want a country where people can get good jobs, new businesses can set up and families can afford an even better life.

That's why from day one I've been ambitious for growth.

Since the 2008 financial crisis, the potential of this great country has been held back by persistently weak growth.

I want to deliver a low tax, high wage, high growth economy.

It's what I was elected by my party to do.

That mission remains.

People across this country rightly want stability.

That is why we acted to support businesses and households with their energy costs this winter.

It's also the case that global economic conditions are worsening due to the continuation of Putin's appalling war in Ukraine.

And on top of this, debt was amassed helping people through the Covid pandemic.

But it is clear that parts of our mini budget went further and faster than markets were expecting.

So the way we are delivering our mission right now has to change.

We need to act now to reassure the markets of our fiscal discipline.

I have therefore decided to keep the increase in corporation tax that was planned by the previous government.

This will raise £18 billion per year.

It will act as a down-payment on our full Medium-Term Fiscal Plan which will be accompanied by a forecast from the independent OBR.

We will do whatever is necessary to ensure debt is falling as a share of the economy in the medium term.

We will control the size of the state to ensure that taxpayers' money is always well spent.

Our public sector will become more efficient to deliver world-class services for the British people.

And spending will grow less rapidly than previously planned.

I met the former Chancellor earlier today. I was incredibly sorry to lose him.

He is a great friend and he shares my vision to set this country on the path to growth.

Today I have asked Jeremy Hunt to become the new Chancellor.

He is one of the most experienced and widely respected government ministers and parliamentarians.

And he shares my convictions and ambitions for our country.

He will deliver the Medium-Term Fiscal Plan at the end of this month.

He will see through the support we are providing to help families and businesses including our Energy Price Guarantee that's protecting people from higher energy bills this winter.

And he will drive our mission to go for growth, including taking forward the supply side reforms that our country needs.

We owe it to the next generation to improve our economic

performance to deliver higher wages, new jobs and better public services, and to ease the burden of debt.

I have acted decisively today because my priority is ensuring our country's economic stability.

As Prime Minister, I will always act in the national interest.

This is always my first consideration.

I want to be honest, this is difficult.

But we will get through this storm.

And we will deliver the strong and sustained growth that can transform the prosperity of our country for generations to come.



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The former Chancellor Kwasi Kwarteng announcing the mini-budget to the Commons with the Prime Minister by his side. PHOTO UK Parliament/Jessica Taylor