

Labour hails Thatcher and Trump, pledging to “cut the weeds of regulation”

Robert Stevens
29 January 2025

Prime Minister Sir Keir Starmer published an op-ed in the *Times* Wednesday pledging to complete the work of Britain’s two previous most right-wing governments of the post-war period—those of Margaret Thatcher and Tony Blair.

Headlined “We’ll cut the weeds of regulation and let growth bloom,” Starmer’s article praises: “In the 1980s, the Thatcher government deregulated finance capital. In the New Labour era, globalisation increased the opportunities for trade. This is our equivalent. For too long regulation has stopped Britain building its future.”

It trailed how a speech that day “by the chancellor [Rachel Reeves] will show how this government will sweep it away.”

Labour’s Thatcherite plans, Starmer argued, were “the only cure for the sickness of stagnation and decline.” All previous talk of a “partnership” including “working people” was gone. His was “the party of wealth creation. Our job is to work with businesses to create the environment that best allows them to thrive.”

The *Times* noted that 24 hours prior to writing his piece, Starmer and Reeves met with “senior executives from companies including Tesco, Unilever, BT, PwC and Lloyds,” where he told them that “he had heard ‘loud and clear’ their demands for less onerous regulation.”

This meant his government, as Starmer wrote, would remove “a morass of regulation that effectively bans billions of pounds more of investment from flowing into Britain.” Previous Tory governments had “talked a good game” over 14 years but failed, as “Thickets of red tape... [were] allowed to spread through the British economy like Japanese knotweed. Our pledge today is that this government will do what they could not.”

Times Whitehall Editor Chris Smyth described it as

“language echoing [short-lived prime minister and Thatcher worshipper] Liz Truss’s pledges to take on what she called the anti-growth coalition.”

Thatcher’s deregulation of the banks and financial institutions in 1986 was dubbed the “Big Bang”, such were its era-defining implications, allowing financial speculation and parasitism on a scale never seen before and placing London ahead even of New York as a haven for finance capital.

Turning the capital into a playground of the super-rich was central to Thatcher’s goal of “rolling back the frontiers of the state” and resolving the economic crisis of the 1970s and 80s decisively in favour of the capitalist class.

As the WSWWS has written, this required “confronting head-on the resistance of the working class and paving the way for an explosion of inequality. Draconian laws, the whip of unemployment and militarised, violent policing were used against the 1984-85 miners’ strike and then the printworkers at Wapping.

“Both, like other groups of workers, were defeated due to the treachery of the trade union and Labour Party bureaucracy, which was abandoning its former national reformist programme and openly embracing capitalism.”

Such was the Blair government’s embrace of these policies—with its mantra of being “intensely relaxed about people getting filthy rich”—that Thatcher declared her “greatest achievement” to be “Tony Blair and New Labour.”

But Starmer and Reeves intend to go far beyond their predecessors, following the model pioneered in the United States by Donald Trump, who has empowered the richest oligarch on the planet, Elon Musk, to slash the \$6 trillion public spending budget by a third via a Department of Government Efficiency (DOGE).

It is no coincidence that Starmer's pledge to rip up regulations came after a one-on-one call with Trump last week, described as constructive on both sides of the Atlantic. Avoiding contentious foreign policy issues, Downing Street's readout explained that they "discussed trade and the economy, with the Prime Minister setting out how we are deregulating to boost growth."

This was just the latest example of Starmer embracing Trump's policies—and those of his fascist co-thinker the Argentinian President Javier Milei. Last month, as Reeves's Treasury announced 10,000 job cuts in the civil service and demanded productivity increases from all public sector workers, Starmer went as far as parroting the oft-repeated threat of Trump to "drain the swamp" of government "bureaucracy."

Coming to office pledging to be the "most pro-business government this country has ever seen," even Labour's raising of employers' National Insurance contributions—always clawed back by lowering wages and cutting jobs—was treated as an unpardonable sin by the corporations. It has been making up for this error ever since.

In her speech following Starmer's article, Reeves lambasted "stifling and unpredictable regulation" which meant "The productive capacity of the UK economy has become far too weak. Productivity... has grown more slowly here than in countries like Germany and the US."

Her response would be "recognising that first and foremost it is businesses, investors and entrepreneurs who drive economic growth." Labour would be "a government that systematically removes the barriers that they face one by one and has their back."

Reeves previously told a City of London audience that she favoured tearing up even the minimal restrictions on banks and investment institutions put in place by Gordon Brown's Labour government after the 2007-8 global financial crash. Declaring the financial services sector the "crown jewel" of Britain's economy, she stated, "These changes have resulted in a system which sought to eliminate risk-taking. That has gone too far."

The Chancellor boasted Wednesday, "We have already provided new growth-focused remits to our financial services regulators." She had also "met the heads of some of our largest regulators," who had

"already provided a range of options to drive growth in their sectors and proposals for how they can be more agile and responsive to businesses."

Millions more workers will be offered up as cheap labour for the corporations, with welfare support slashed. Reeves pledged, "We will deliver fundamental reform of our welfare system. That includes looking at areas that have been ducked for too long like the rising cost of health and disability benefits."

Making "Britain the best place in the world to invest," she noted, had been her "message in Davos last week," at the World Economic Forum meeting of the billionaire super-rich and mega-corporations.

Ahead of that summit, the *Financial Times*'s Chief Economics Commentator Martin Wolf made sure Reeves remembered that she was still very much on marching orders from the capitalist class.

Wolf wrote in a January 20 op-ed, "The government needs to retain the confidence of its creditors. It is crucial not to adopt policies that raise doubts about its good sense. How taxes were raised in the Budget did just that. So, too, do regulatory developments, notably in the labour market. The government will have to toughen its stance on current spending in its coming [June spending] review or consider higher taxes."

How firmly Starmer, Reeves, et al received the memo was made clear in the FT's assessment of the summit. It cited Marc Benioff, chief executive of Salesforce, who enthused, "Everyone here at Davos is taking a page out of the Donald Trump playbook.... We've heard comments from [European Commission president Ursula von der Leyen] and Rachel Reeves and more. Countries are thinking that they need their own DOGE—and that means less red tape, deregulation and a priority on growth."

Jonathan Reynolds, Labour's business secretary who attended Davos with Reeves, was unequivocal, telling the FT, the voice of the City of London, "We have to respond to the agenda the US president has just set out with our own dynamism... Every country has to do it."



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