

UK Prime Minister Theresa May pledges hard Brexit, threatens trade war

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In a speech at Lancaster House Tuesday, UK Prime Minister Theresa May all but threatened economic warfare against Europe if the UK is not granted unlimited access to European markets after it exits the European Union.

May's aggressive posture is bound up with efforts to forge an economic and political alliance with the incoming administration of Donald Trump in the United States. Only May's readiness to act as a bludgeon on behalf of Washington against the EU, and particularly against Germany, can account for the combative stand she is taking prior to triggering Brexit by invoking Article 50 of the Lisbon Treaty.

May's Lancaster House speech is a marker for gauging the extent of the breakdown in inter-imperialist relations both within Europe and between Europe and America. It came one day after an interview given by Trump jointly to Rupert Murdoch's *Sunday Times* and the German *Bild* newspaper in which the US president-elect stated that Brexit "is going to end up being a great thing." The EU was "basically a vehicle for Germany," he added.

Speaking on Tuesday, the same day as May's aggressive speech, British Chancellor Philip Hammond told the *Die Welt* Economic Summit in Germany that if Britain's demands were not met, "[W]e will have to change our model to regain competitiveness. And you can be sure we will do whatever we have to do."

Britain's *Daily Telegraph* editorialised Tuesday that "the UK can go it alone and succeed" if it makes "a promise" of Hammond's threat to make Britain "a magnet for international business by emulating Donald Trump's expected deep cuts in US corporation tax and junking European regulation."

The *Spectator* reported that Foreign Secretary Boris Johnson has been working with the "Trump team" on the outlines of a US/UK trade deal to be "pencilled in before the UK leaves the EU..."

Feeling the wind in her sails, May began her speech with platitudes stressing Britain's desire for friendly and mutually beneficial trading relations with the UK's "best friend and neighbour." Though "many fear" that Brexit "might herald the beginning of a greater unravelling of the EU," she added, "it would not be in the best interests of Britain."

Nevertheless, she said, the UK was leaving the EU, the Single Market and the Customs Union in order to strike free trade agreements with other countries, including vital markets such as China. There could not be continued membership of the Single Market, as urged by powerful sections of UK business, because this would mean accepting free movement of EU labour.

May went on to detail the extraordinary demands the UK would be making. They included a free trade agreement with the EU that would not cut across signing trade agreements with other countries. Referencing a comment by President Obama on the eve of the Brexit vote warning of potential damage to Britain's economic relations with the US, May boasted, "President-elect Trump has said Britain is not 'at the back of the queue' for a trade deal with the United States, the world's biggest economy, but front of the line."

She added that the UK would not remain a member of the EU Customs Union but would still want "tariff-free trade with Europe."

To back up her demands, May stressed the UK's military/security role in Europe. She declared, "Britain and France are Europe's only two nuclear powers. We are the only two European countries with permanent seats on the United Nations Security Council, with servicemen and women based in European countries including Estonia, Poland and Romania."

Then came threats of economic retaliation. Noting that "there are some voices calling for a punitive deal that punishes Britain and discourages other countries from

taking the same path,” May warned that this “would be an act of calamitous self-harm for the countries of Europe.”

Excluded from access to the Single Market, the British government “would be free to change the basis of Britain’s economic model.” It could set the “competitive tax rates” and “embrace the policies that would attract the world’s best companies and biggest investors to Britain.”

For the EU, it would mean “new barriers to trade with one of the biggest economies in the world,” threatening half a trillion pounds of European investments, £290 billion in EU exports to Britain and even “a loss of access for European firms to the financial services of the City of London.”

May and Hammond’s economic model for post-Brexit Britain is, in reality, not dependent on whether or not the EU grants concessions. The government has stated its intention to lower corporation tax to 17 percent by 2020 as part of its plan to “complete the Thatcher revolution” through wholesale deregulation, tax cuts, privatisations and the elimination of what remains of the welfare state. This is a perspective for escalating trade war, combined with an ever sharper turn towards militarism.

The focus for such an economic offensive might initially be Europe, but May claims that on this basis the UK will “embrace the world.” This is delusional. Trump has expressed consistent hostility to China, the country cited by May as the main prize in the turn “out of Europe and into the world.” Even as she spoke, China’s President Xi Jinping was warning the World Economic Forum in Davos, in response to Trump’s threats, that “no one would emerge as a winner in a global trade war.”

Neither is the UK itself free from an eruption of national tensions. One of May’s 12 pledges was to “Strengthen the Union,” but it was made under conditions where First Minister Nicola Sturgeon of the Scottish National Party (SNP) has repeatedly threatened a second independence referendum, citing the threat to Scottish business interests posed by Brexit.

Immediately after May’s speech, the Scottish parliament passed an SNP motion stating that “in the event that the UK government opts to leave the Single Market, alternative approaches within the UK should be sought that would enable Scotland to retain its place within the Single Market and the devolution of necessary powers to the Scottish Parliament.”

Moreover, May had to appeal for a “spirit of unity” in upcoming Northern Ireland Assembly elections that will pit the pro-EU Sinn Fein against the pro-Brexit Democratic Unionist Party, and she felt obliged to

promise to maintain the Common Travel Area with the Republic of Ireland to counter warnings of a “hard border” between north and south.

May’s speech was above all a declaration of class war, as working people will be made to pay for Hammond’s pledge to “do whatever is needed” to restore competitiveness.

She peppered her speech with rhetoric about building “a fairer Britain” for “everyone who lives and works in this country.” But only in order to promise to “control immigration”—blaming migrants for every social ill inflicted on the working class by her government and previous ones.

The Tories’ real attitude to working people is expressed in demands raised this week by 50 MPs for banning strikes that affect essential services and are deemed not “reasonable and proportionate.” If the government has not yet resorted to such measures, it is only because they can rely on the trade union bureaucracy to police and betray workers’ struggles, as demonstrated by the decision that same day by the Aslef drivers’ union to suspend a planned three-day strike against Southern Rail.

May pledged a “smooth, orderly Brexit,” even as she warned the media and opposition parties that demands to know “details of our negotiating strategy” would mean not “acting in the national interest.”

With the Supreme Court expected to rule this month that the triggering of Article 50 must be debated in parliament, May promised a parliamentary vote and on the eventual Brexit deal, to be struck by 2019, while warning her opponents not to block the implementation of the referendum result. This led to a pledge on *Sky News* from Labour leader Jeremy Corbyn that “We have said all along that we will not block Article 50.”

He focused the rest of his remarks on expressing concerns over European “market access” and stressing that there was “a case for regulation of the labour market”—a demand posed by Corbyn’s trade union backers exclusively in terms of combating the impact of migrant labour on wages.



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