

# Theresa May's Brexit speech gets short shrift from European Union

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Speaking at Mansion House, UK Prime Minister Theresa May faced an uphill struggle to portray her Conservative government's unity of purpose over Brexit.

She did so after a politically disastrous week that began with Labour leader Jeremy Corbyn being praised by the main employers' organisations.

Corbyn declared that he would accept existing European Union (EU) trade arrangements in a two-year transition and then seek a modified customs union with the European Union and tariff-free access to the Single European Market. (May, who campaigned for Remain, wants the same thing but cannot accept the customs union because she would be removed as leader by her hard Brexit right-wing.)

The week ended with a visit by European Commission President Donald Tusk, amid a mounting crisis over an EU draft transition agreement outlining a likely hard border for Northern Ireland should Britain continue to "cherry pick" which elements of the Single European Market arrangements it would accept. Tusk was scathing of May's stated goal of "frictionless" trade with the EU and warned that the EC could only advise a customs union in Ireland as an alternative to a hard border.

Despite the conciliatory tone of May's speech, she failed to meet EU demands to flesh out what her government means by "ambitious managed diversion" as the basis for an interim Brexit agreement that is acceptable to her hard-Brexit critics.

In response to Corbyn portraying Labour's vision of Brexit as one "for the many, not the few," she quoted her own soaring rhetoric on a similarly bogus theme when taking office eighteen months ago. But her references to heading a government "driven not by the interests of the privileged few," "the powerful" and "the mighty," would have elicited groans and boos from any but the selected audience she addressed.

After reiterating the nationalist mantra that the Brexit

referendum result was a mandate "to take control of our borders, laws and money," she moved onto efforts to placate the EU. The referendum was "not a vote for a distant relationship with our neighbours," and she wanted a new and enduring relationship.

May reminded her European counterparts of her Munich Security Conference speech on the vital necessity of cooperation on military, policing and state spying. May gave no detail, but her Munich speech threatened the EU by tying security cooperation to a free trade agreement. However, even here she faces significant opposition in ruling circles. Her speech was preceded by an unprecedented common statement and platform appearance by the heads of the British, French and German intelligence agencies—Alex Younger of MI6, Bernard Emie of the DGSE and Bruno Kahl of the BND—warning against any move that cut across their cooperation.

However, the bulk of her Mansion House speech focused on "our economic partnership."

At one point, in the space of around a minute, she rejected the demands of the EU and repudiated her own oft-repeated mantra that "no deal is better than a bad deal." May declared all existing models for trade arrangement with non-EU states as inadequate, with Norway's unacceptable because "it would involve having to implement new EU legislation automatically and in its entirety—and would also mean continued free movement." But neither would Britain accept trade on World Trade Organisation terms, which would mean a "significant reduction in our access to each other's markets compared to that which we currently enjoy."

Once again facing both ways, she appealed for an agreement preventing a "hard border in Ireland" before adding that "it would also be unacceptable to break up the United Kingdom's own common market by creating a customs and regulatory border down the Irish Sea."

May also risked alienating the dominant faction of her party by accepting that “even after we have left the jurisdiction of the ECJ [European Court of Justice], EU law and the decisions of the ECJ will continue to affect us.” She proposed, however, that this would be guaranteed by a complex of mirrored legislation that would preserve the “sovereignty” of Britain’s courts and Parliament. The “jurisdiction of the ECJ in the UK must end,” she intoned.

Trade would involve “binding commitments” regarding subsidies, anti-competitive practices, workers’ rights, etc., to ensure “as frictionless a border as possible between us and the EU so that we don’t damage the integrated supply chains our industries depend on and don’t have a hard border between Northern Ireland and Ireland” and cooperation with EU agencies “such as those that are critical for the chemicals, medicines and aerospace industries.”

This was dutifully followed by the insistence, “We want the freedom to negotiate trade agreements with other countries around the world” married to “the broadest and deepest possible. ... Free Trade Agreement anywhere in the world today.”

But, she insisted, “free movement of people will come to an end and we will control the number of people who come to live in our country. ... If this is cherry-picking, then every trade arrangement is cherry-picking.”

The detailing of this wish-list ended with what has become the red line of all red lines—all that in fact seems to separate May from Corbyn: Her declaration that “The UK has been clear it is leaving the Customs Union.”

What followed were alternative proposals allowing the UK to set its own external tariffs—also a policy shared by Labour—including a “customs arrangement” and a “customs partnership.”

Financial services would no longer have a system of “passporting,” allowing all EU finance companies to sell their services across the 28-member bloc with a local license, because this requires a “single rule book, over which we would have no say.” It would instead be part of a “deep and comprehensive partnership.”

If rhetorical flourishes could conquer political realities, then May would indeed have something to celebrate. But even as she finished speaking, the negative verdict was coming in domestically and from Europe on the impossibility of squaring her position with that of the EU.

The Confederation of British Industry director general, Carolyn Fairbairn, who this week welcomed Corbyn’s Brexit speech, praised May for her acceptance of “a

possible future role for the ECJ, membership of some EU agencies, willingness to take steps to guarantee a level playing field,” but was critical of the proposals for customs after Brexit, which “do not deliver.”

Guy Verhofstadt, the European Parliament’s Brexit spokesman, said there will be “little appetite” in the EU for May’s proposals and that she needed “to move beyond vague aspirations, we can only hope that serious proposals have been put in the post.”

EC chief negotiator Michel Barnier issued a tweet welcoming “Clarity about UK leaving single market and customs union, and recognition of trade-offs will inform European Council guidelines re: future free trade agreement,” which the EC said would be the full extent of its response to the speech.

Manfred Weber, the leader of the centre-right European People’s Party in the European Parliament and a close ally of German Chancellor Angela Merkel, said, “After what I have heard today I am even more concerned. ... I don’t see how we could reach an agreement on Brexit if the UK government continues to bury its head in the sand like this.”

The Labour Party leadership will be pleased to the extent that they see a possibility of acceptance in big business and financial circles of a possible governmental role if the Tory impasse on Brexit continues. With Corbyn having successfully utilised Brexit as another means of confirming his loyalty to the interests of British imperialism, Shadow Brexit Secretary Keir Starmer declared prior to the speech, “Theresa May is running out of time and running out of road. ... If she fails this test, Labour is waiting in the wings.”

*The author recommends:*

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