Brexit impasse at European Union summit

Robert Stevens 19 October 2018

British Prime Minister Theresa May held a further round of talks with European Union leaders in Brussels Thursday, after the deal she agreed with her cabinet in July was formally rejected Wednesday night.

Talks on the terms of the UK's exit from the EU broke down—primarily over the status of Northern Ireland during and after the transitional period to full Brexit beginning on March 29 next year.

In what has now become a routine humiliation, May was allowed just 15 minutes to speak Wednesday night before the EU-27 broke for dinner and more internal talks on Brexit. Prior to May's arrival, the EU had already said not enough progress had been made to warrant calling an extraordinary summit slated for November 17 and 18 to finalise a deal.

German Chancellor Angela Merkel declared that the talks had reached a deadlock and May had to come back with "new ideas." A diplomatic source said that she had insisted that the EU "hold firm" against the UK in the coming weeks. Austrian Chancellor Sebastian Kurz declared that any progress could take "weeks or months."

May is running out of time. A final meeting in December is possible, but if that is ruled out, the deadline for a March exit is impossible, as any deal has to be signed off by the 27 EU member parliaments.

There is open discussion that Britain's post-Brexit transition period, planned for 21 months ending December 31, 2020, will be extended by a year. In a desperate attempt to placate the Tory "hard-Brexiteers", who reject such moves, May said, "It would be for only a matter of months, but the point is this is not expected to be used, because we are working to ensure that we have that future relationship in place by the end of 2020."

A hard-Brexit outcome in which the UK stands to lose all access to the Single Market and Customs Union is opposed by the dominant sections of business. The Confederation of Business Institute employers' organisation said, "The need for compromise on both sides to agree the withdrawal agreement and secure the transition period is long overdue... If extending the transition period makes the withdrawal agreement easier to agree it should be welcomed."

May's backers presented the possible extension as a concession by the EU, but it is a poisoned chalice. Jeroen Dijsselbloem, the former euro group president, this week advocated an extension on the basis that the political divisions within May's ruling Conservatives are intractable. His call was explicitly linked to the prospect of allowing "for new elections or a second referendum [in Britain] if the deal gets rejected in the medium term, which still seems pretty likely."

Phillip Stephens wrotein the *Financial Times*, "[T]he threat of a no-agreement, cliff-edge Brexit might well see parliament force the prime minister's hand. An extension would also be needed were paralysis to result in Mrs May's departure and/or a general election. That, in turn, would open the possibility of a second referendum."

Six of the most prominent Brexiteers—former Brexit Secretary David Davis, former Foreign Secretary Boris Johnson, and backbenchers Jacob Rees Mogg, Iain Duncan Smith, Owen Paterson and Priti Patel, signed an open letter to May opposing any concessions:

"We were all elected on a manifesto to gain full independence by leaving the customs union and single market," they insisted. Northern Ireland and the UK could not remain in any transitional "backstop" arrangement based around regulatory alignment with the EU. Instead, a "super Canada free trade deal" should be negotiated for "the whole of the UK... Only by doing this can we seize the prize of the wide range of trading opportunities available outside the EU and free ourselves from the EU's regulatory burden."

Intervening on behalf of the Remain wing of the

Tories, Father of the House Ken Clarke warned that due to divisions in parliament, "you can't get an agreement in Brussels which can get a majority in the Cabinet or can shut up the Brexiteers... Both parties [Tories and Labour] are shattered and hopelessly divided—they can't agree even among themselves."

Wednesday saw the publication in German daily *Die Welt* of a joint appeal by former Labour leader Tony Blair, former Liberal Democrats leader Nick Clegg and pro-EU Conservative Lord Michael Heseltine for the EU to stand its ground against May. The joint statement declared: "Our domestic debate is far from over and, even at this late hour, many of us are continuing to make the case that the British public need to make the final decision once we are in possession of all the relevant facts."

In January, Blair advocated, via the same newspaper, that a second referendum be held. This time Blair and his Tory and Liberal Democrat allies wrote three days before a planned rally in London in support of a second referendum, or "People's Vote."

Blair was also answering Labour leader Jeremy Corbyn's appeal for unity with the Labour right based on securing a Brexit deal that will maintain access to the Single European Market and customs union.

The joint statement decried "unrealistic hopes in Britain of not just a 'last minute' major concession by the EU side in the current negotiations, but of something even more delusional: that once the UK has left and is in the transition period, the 27 remaining member states will capitulate on the principles of the Single Market and give Britain access to the Market without abiding by its rules."

Corbyn framed his appeal to Labour MPs this week as a rejection of May's assertion that the only choices on offer were her negotiated deal or a no-deal hard Brexit—which she has made the basis of an appeal for Labour MPs to defy the party whip and back her. Brexit Secretary Dominic Raab warned that that there would be no opposition amendments allowed in the promised "meaningful" parliamentary vote on a Brexit deal. MPs would have to vote for her deal or against it and therefore for a hard Brexit. There will be no second referendum, May insisted.

Appealing directly to UK big business and the EU, Labour Shadow Chancellor John McDonnell declared that it was in the national interest and that of the EU powers to work towards a Labour government, as "We think we can get a [Brexit] deal done fairly quickly" that would "transform the atmosphere, and it would be on the basis of mutual benefit and mutual interest..."

The failure to reach any agreement over Brexit is the product of escalating national antagonisms. This accounts for the EU's hard-line stance on the issue of the post-Brexit Irish border and the advanced plans made for the UK crashing out of the EU by Germany and France. On Wednesday, Merkel warned German deputies, "It is only fitting as a responsible and forward-thinking government leadership that we prepare for every scenario—that includes the possibility of Great Britain leaving the European Union without an agreement."

The Trump administration made a direct intervention, seeking to exacerbate divisions within the EU. Yesterday US trade representative Robert Lighthizer wrote to Congress, "We intend to initiate negotiations with the United Kingdom as soon as it is ready after it exits the European Union on March 29, 2019."

The working class must oppose the Remain and Leave factions of the ruling class. Neither offers any alternative to a future of escalating national tensions and the danger of trade and military conflicts. They envision only a ramping up of the exploitation of working people and deeper austerity in order that the corporations can compete internationally. Workers and young people must oppose to the plans of the ruling elite their own strategy, based on the unification of workers across borders through the United Socialist States of Europe.



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