The Brexit Crisis Finally Engulfs the Party That Started It

Jonah Shepp New York, July 11, 2018



Theresa May doesn't have any good options. *Photo: Ulrich Baumgarten/U. Baumgarten via Getty Images*

During the two years that have passed since the slow-moving train wreck of Brexit began, it has been abundantly clear to any observer outside the U.K.'s nativist right-wing fever swamp that eventually, everyone was going to get hurt by it.

Between Sunday and Tuesday night, no fewer than seven Brexit hard-liners in Prime Minister Theresa May's Conservative party resigned over a plan for an orderly Brexit that she presented to her cabinet at Chequers, the official country house of the prime minister, on Friday — including most notably Foreign Secretary Boris Johnson and Brexit Secretary David Davis.

These officials were proponents of a "hard Brexit," meaning one in which the U.K. leaves the European Union without agreeing to abide by any of its rules or continue participating in any of its institutions. The hard Brexiteers are particularly opposed to any deal that requires Britain to remain open to the free movement of labor across its borders with the E.U.

This, they claim, is an intolerable infringement upon U.K. sovereignty. More importantly, it would upset the nativist, "Little England" constituency the party's right flank is terrified of losing to the U.K. Independence Party, whose former leader Nigel

Farage is threatening a comeback if the final Brexit deal is not destructive enough for his taste.

Of course, it was always going to come to this.

In the long-long-ago of 2015, when May's predecessor David Cameron's government first arranged the Brexit referendum in fulfillment of a cynical campaign pledge, neither Cameron nor most of his key cabinet members, including May, wanted or expected it to pass. The whole point of the exercise was indeed for it to fail, in order to shut up loudmouth Brexiteers like Farage and Johnson and to bolster Cameron's centrist, pro-Europe faction within the Conservative party. A year later, after a poorly run campaign by the remainers, a turnout-suppressing rainy day in London, and a whole lot of Russian meddling, Cameron was hoisted by his own petard.

May's sole *raison d'etre* as prime minister has been to make Brexit work, even though the domestic politics of the matter have never been compatible with the foreign policy realities involved. As the negotiations have dragged on, her failure to satisfy anyone at all has steadily chipped away at her authority; now, a full-on revoltby backbenchers and grassroots members of her own party threatens to depose her (and Johnson is already getting endorsed by said backbenchers as a potential replacement, even though voters don't much care for him).

In a twist of fate too predictable to be called ironic, the PM appointed to make an impossible deal is now having her government held hostage by the very same whingeing rejectionists who have never hidden the fact that they would block any realistic version of that deal while offering no solutions of their own. The prospect of yet another general election does not daunt them, either: The Tory rebels believetheir support for a hard Brexit would help, not hurt, them in that vote. Labour leader Jeremy Corbyn has no idea how to handle Brexit from a political or a policy standpoint; his own party is divided on the issue as well. Thus, neither a leadership change for the Tories nor a new general election would necessarily solve the problem.

Even if May manages to survive this crisis, the hard Brexit camp still has a nuclear option, which is to simply prevent her from reaching any deal with Brussels by the March 29 deadline, or any agreement to extend it.

A "no deal" Brexit would involve the U.K. ceasing overnight to have any special trade agreement with the E.U. and reverting to World Trade Organization rules. That would mean tariffs and checks on imports and exports, as well as the reintroduction of border controls for travelers and various other changes, which would jack up the price of commodities and consumer goods in the U.K., disrupt supply chains for British businesses, and likely tank the currency.

Businesses are bracing for this scenario, with international firms making preparations to shift their operations elsewhere to mitigate the impact. London's

finance industry is already losing business and jobs to other European financial centers, which are only too happy to take them. A potential mass exodus of E.U. citizens from the U.K. could also subject industries like construction, tourism, health care, and agriculture to crippling labor shortages.

The "hard Brexit" envisioned by the likes of Johnson and Davis would be substantially similar in its consequences. Brexiteers like to claim that the U.K. can have a special non-member relationship with the E.U., but the relationship they envision is one in which the U.K. gets all the benefits with none of the responsibilities: Free trade without the free movement of labor, veto power over E.U. regulations, and a border between Ireland and Northern Ireland that is hard enough to keep the bloody foreigners out but soft enough not to disrupt commerce. The E.U. would never make such a one-sided agreement, and has been crystal clear on that fact since the beginning.

The deal May presented at Chequers attempts to square these unreasonable demands with a reality in which they are both impossible and undesirable: It entails a free trade agreement for goods, but not services (meaning banks would lose the convenient "passporting" arrangements that currently allow them to conduct continental deals from London). The U.K. would agree to keep its regulations for goods lined up with those of the E.U. and would allow the European Court of Justice some limited role in enforcing those standards, but the free movement of people would end. The Irish dilemma would be partly addressed with a Rube Goldberg device of a customs arrangement in which the U.K. would collect tariffs on the E.U.'s behalf for goods entering the country en route to Europe.

Europe is not especially eager to have Britain crash out of the union next spring, either, so leaders on the continent are doing their best to drum up enthusiasm for the Chequers white paper. Chief E.U. negotiator Michel Barnier said on Tuesday that the parties were 80 percent of the way to a deal, while German Chancellor Angela Merkel called the proposal "a whole step forward." Yet Barnier and Merkel damn with faint praise. A step forward on a road nobody wanted to take in the first place is hardly worth celebrating, while the 80 percent of the Brexit deal that has supposedly been agreed upon in Brussels is a dead letter if it has not also been agreed in Westminster.

Given the impossibility of meeting everyone's demands, the near certainty that even an "orderly" Brexit would be economically disastrous for the U.K., and the persuasive evidence of nefarious foreign interference in the referendum, May would be well within her rights to take deputy Labour leader Tom Watson's suggestion of a do-over. Better yet, she could call the whole thing off. Sure, her career would be over, but at this point, we're already past that, and she'd be doing her fellow countrymen a tremendous favor, whether or not they acknowledge it.

In the meantime, with both major political parties in the U.K. in terminal disarray, its government on the verge of collapse, and its relationship with Europe tainted, that Russian money is looking ever more well-spent.