



The real battle of Brexit—protecting the banks from a Corbyn prime ministership

By Elisa Barwick

23 Jan.—Following the defeat of British Prime Minister Theresa May's EU-negotiated Brexit proposal on 15 January, by the largest margin in the history of the House of Commons (230 votes), Labour leader Jeremy Corbyn tabled a No Confidence motion in the May government. May narrowly survived the vote—325-306—which under any normal circumstances she would not have, such has been the stalemate preventing the UK from successfully negotiating an agreement to exit the European Union. Why?

A successful No Confidence vote would have risked a general election, and given Jeremy Corbyn a chance to form a government; members of Parliament from both parties are under excruciating pressure to prevent such a possibility. And in fact the Brexit agreement contains sections expressly directed at preventing a future Corbyn government from implementing Labour party policy if he is elected.

The Labour party manifesto calls for Glass-Steagall style bank separation, which would prevent commercial banks from speculating, directing funding back into the real economy; and a National Investment Bank, along with a network of regional investment banks. Labour has pledged an investment revolution to fund a dramatic increase in manufacturing, technology and infrastructure, plus renationalisation of all essential services.

As *Canary* journalist James Wright wrote on 14 January, under May's Brexit deal the UK would have to abide by EU rules preventing state intervention, including limits on public spending (considered "state aid" under EU rules), which would screw up all of Labour's plans. ("May's Brexit trap extends legacy of Thatcher, Blair", *AAS* 16 Jan.)

Such spending restrictions are not accidental, but are part of a long-standing British and EU commitment to austerity policies to ensure the current global financial system survives. Corbyn's sweeping plan to charge the government with protecting, and the economy with serving, the many rather than the few, would throw the entire City of London-centred monetary framework out the window.

Public spending restrictions specified in May's deal are aimed at "handcuffing" a future Corbyn Labour government, said Wright, while a senior EU source involved in the withdrawal negotiations told the *London Times* that "the 'real battle' of Brexit was preventing a future Corbyn government transforming the UK economy."

Corbyn, who opposed the creation of the EU and the Maastricht treaty, showed his awareness of this aspect of May's Brexit abomination in a November 2018 interview with Sophy Ridge on Sky News, despite the fact, as he said, that "there's 500 pages in this document, much of which are actually quite vague". Corbyn said he opposed the EU's "state aid rules which limit to differing extents the ability of a government to intervene on its own economy, *like we would want to*".

He went on to explain that he "opposed the Maastricht treaty because it was bringing in an unaccountable central bank and it was moving in the direction of a free-market Europe". On the other hand, he stressed, he always "strongly supported the social measures that were brought in by the



Labour leader Jeremy Corbyn gives Sky News's Sophy Ridge the bottom line on Brexit. Photo: Screenshot

European Union which Mrs Thatcher so strongly opposed", including social cooperation and better workers' rights.

The EU was a creation of the City of London and its Wall Street adjunct, modelled on the British neo-liberal economic model to shackle national governments and elevate central banks instead to prime position. Such a notion is otherwise known as fascism—unelected private individuals or entities controlling a nation.

The 'few' are worried

Given that some £20 trillion worth of derivatives will be rendered invalid unless they are renegotiated before the Brexit deadline on 31 March, the difference between a May and a Corbyn government could not be more decisive. While May continues both parties' long-term deference to the City of London, Corbyn has vowed to dislodge the City of London's "pernicious and undemocratic" control of UK politics and dominance of the UK economy.

Backing up the notion that the real battle afoot in the UK right now is more about Corbyn than Brexit, is an article in the 20 January *Times* headlined, "The rich are preparing to leave Britain if Jeremy Corbyn gets into No. 10". It reports that the super wealthy fear changing policies such as higher taxes and capital controls, and are buying real estate in places like Portugal or hiving away cash offshore.

Iain Tait of wealth management firm London & Capital summed it up: "I would say without question this is fear of Corbyn rather than fear of Brexit. But more recently the two are becoming harder to separate. People fear a messy Brexit because it could lead to a Labour government. They're symbiotically entwined."

As of writing, it appears there are enough votes in parliament to support extending the deadline for Brexit, in order to prevent a disorderly "no deal" exit from the EU, but support among the population (the "many") for a general election is growing.

There is no doubt of how high the stakes are for the City, with the Ministry of Defence already readying 3,500 troops to deploy across the country in the event of a hard Brexit, and in the last few days an order effective between 10 February 2019 and 9 February 2020 issued to put reserve military officers on standby.