

Is Britain Intent Upon Leaving the European Union?

UK Prime Minister Cameron commits to 2017 Referendum on EU membership

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British Prime Minister David Cameron finally set out his position on Britain's relationship with the European Union (EU).

His speech [January 23 2013], committing the Conservative Party to a referendum on EU membership in 2017, had been postponed for a week, ostensibly due to the hostage crisis in Algeria. In truth, it was a speech that Cameron had postponed for seven years, since taking over leadership of the Tories, for fear that it would rip his party apart. In the end, it is primarily the fact that the Tories are already being pulled apart by opposing positions on the EU that forced his hand.

As Philip Stephens commented in the *Financial Times*, this was "politics on a tightrope", motivated by Cameron's hope that his commitment to a referendum would "forestall a historic split in his own party comparable to its 19th century ruptures over the Corn Laws and imperial trade preferences in the early 20th".

But Cameron's attempt to hold his party together, at least through the general election scheduled for 2015, came at a price. In the first place, his "red line commitment" to a referendum has placed the Conservatives in opposition to their Liberal Democrat coalition partners, who have attacked the move.

More worryingly for Cameron, and the British bourgeoisie as a whole, has been condemnation of the prospect of a British referendum by EU members and, more especially, by Washington.

Although the referendum is not scheduled for another four years and is dependent on the Tories winning re-election—itself a big ask—Cameron had been admonished for injecting further uncertainty into the European project when it is already in crisis. Philip Gordon, US assistant secretary of state for European affairs, publicly made clear Washington's displeasure last week when he stressed that Britain's continued membership of the EU was "in the American interest".

Cameron's remarks were crafted to try and appease several constituencies—each of which is just as reactionary as the other.

To placate the sizeable anti-EU wing of his own party, and face off the political challenge from the UK Independence Party, he pledged to renegotiate the terms of Britain's membership of the EU and then put these terms to an "in-out" referendum in 2017.

To his EU partners, Washington and the substantial section of big business opposed to such

a risky move, Cameron pledged that in such a referendum he would campaign for British membership with all his "heart and soul".

Notwithstanding justified fears that the ballot would result in Britain's exit from the EU, Cameron presented his move as a means of saving the European project, rather than burying it. Europe's crisis, he said, stemmed from its lack of competitiveness and flexibility in the "new global race of nations" now underway, and the challenge posed by the "surging economies in the east and south".

With "Europe's share of world output ... projected to fall by almost a third in the next two decades", Cameron condemned "complex rules restricting our labour markets" and "excessive regulation" on business as "self-inflicted" wounds.

To underscore his point, the prime minister cited German Chancellor Angela Merkel's earlier pronouncement that Europe's system of welfare and social provision is unsustainable and has to go.

His entreaty essentially consists of a demand that the austerity measures that have created a social catastrophe in Greece, Spain and elsewhere must be extended and deepened across the continent, in tandem with the levelling down of wages and working conditions to the benchmark set in Asia.

It is for this reason that, even while demanding a "loosening" of the EU so as to protect the City of London, the prime minister gave his backing for greater fiscal and political consolidation within the euro zone. He insisted that the euro zone countries needed "the right governance and structures to secure a successful currency for the long term"—i.e., it must have the economic and political mechanisms in place to enforce the diktats of finance capital—while stressing that Britain had no intention of adopting the currency itself.

On the decimation of the living standards of the European working class, Cameron, the EU, Washington and big business are united. All of which makes Cameron's poise as the defender of "democratic accountability and consent" hogwash. The prime minister hypocritically referenced "growing frustration" with the EU across the continent that has led to "demonstrations on the streets of Athens, Madrid and Rome" In Britain too, he said, "democratic consent for the EU ... is now wafer-thin".

But Cameron's proposed referendum has nothing to do with establishing the democratic right of working people to oppose and defeat the vicious austerity being imposed by the "troika"—the EU, European Central Bank and the International Monetary Fund—that has brought millions onto the streets. Quite the opposite. He hopes to consolidate a right-wing bloc pledged to even more draconian economic measures, in which the interests of the City are paramount, while overturning workers' remaining legal rights. Hence his attack on legislation limiting working hours.

This is the EU to which Cameron is committed. And again, on this the prime minister is knocking on an open door. While various European foreign ministers criticised Cameron's speech, it was not on its substance but for his lack of a collegiate approach and for opening up a nest of worms with his pledge for a referendum.

Referring to Cameron's demand to renegotiate the terms of EU membership, German Foreign Minister Guido Westerwelle said that "cherry picking was not an option" while his

French equivalent Laurent Fabius complained, "If you join a [football] club, you can't say you want to play rugby."

Merkel, however, said that Berlin would listen to "British wishes" over EU membership in the hope of finding a "fair compromise". Only on Tuesday, Merkel and French President Francois Hollande had vowed to speed up euro zone integration and promote European competitiveness in terms similar to Cameron's. Speaking on the 50th anniversary of the Franco-German Alliance, they stressed the need for "budget discipline" and labour reforms.

The Labour Party condemned the prospect of a referendum, with leader Ed Miliband flatly rejecting an "in-out" referendum. In doing so, Labour made clear that its overtly anti-democratic stance is motivated by fears that uncertainty over the result will damage London's leading role as a financial centre.

Writing in the *Financial Times*, Labour's Peter Mandelson opined that a better example for the UK in re-negotiating its terms of EU membership had been given by Labour Prime Minister Harold Wilson in 1974. When Wilson re-negotiated Britain's accession to the European Community as it was at the time, Mandelson wrote, "he did so by finessing the agreement and not by re-opening the accession treaty itself."

The Confederation of British Industry and the Institute of Directors welcomed Cameron's speech, stating that a "reformed EU" and a "competitive and deregulated" Europe represented the "best deal for Britain".

Mark Boleat, chairman of the policy and resources committee of the City of London, was more cautious. Cameron's "lengthy timetable for the planned referendum ... in itself risks delaying important investment decisions by international businesses in the City," he warned. "[I]t is vital that we are up front about the need for the UK to remain a full member of the European Union, continue to operate completely within the single market and continue to have its say on EU regulations affecting us. Europe needs to adapt and meet the competitiveness challenge posed by the changing global economic landscape."

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