Brexit Deal in Crisis After 2 U.K. Cabinet Ministers Quit

LONDON — Prime Minister Theresa May of Britain faced a deep political crisis on Thursday after two cabinet ministers quit her government, including Dominic Raab, her chief negotiator on withdrawal from the European Union — decisions that threaten to wreck not only her plans for the exit but also her leadership.

The surprise resignation of Mr. Raab on Thursday morning followed a tense, five-hour meeting of the cabinet the previous day, during which ministers reluctantly agreed to sign off on Mrs. May's draft plans for departure from the European Union, a process commonly known as Brexit.

Mr. Raab's departure was not only unexpected but also deeply damaging to Mrs. May's authority, increasing the risk that she might face a leadership challenge from rebel lawmakers inside her own Conservative Party.

Shortly after his announcement, Esther McVey, the work and pensions secretary, resigned, adding to the turmoil.

At a news conference at the end of the day, Mrs. May, projecting her customary confidence, insisted that she was not worried about the prospects for the deal or her own political fortunes.

"Leadership is about taking the right decisions, not the easy ones," she said. "Am I going to see this through? Yes."

The pound, an indicator of stability amid the Brexit debate, fell sharply on the news that Mr. Raab had resigned and dropped again when the pensions minister stepped down. The currency, which was worth close to \$1.30 before Mr. Raab's resignation, dipped as low as \$1.2753 by mid-morning and continued to have an unsteady day.



After sliding in the minutes before Mrs. May started her speech, the currency rose to \$1.2786 as she talked.

The crisis is a grave one for Mrs. May, who knew even before the resignations

that she would struggle to win Parliamentary approval for her draft agreement. She addressed the House of Commons on Thursday morning to sell her deal and for nearly three hours took questions on the deal, nearly all of them ranging from skeptical to outright hostile.

"What we agreed yesterday was not the final deal," she said. "It is a draft treaty that means that we will leave the E.U. in a smooth and orderly way on the 29th of March, 2019, and which sets the framework for a future relationship that delivers in our national interest."



An investment manager watching Mrs. May speak to the House of Commons. The pound dropped as much as 1.5 percent against the dollar on Thursday. Credit Simon Dawson/Reuters

She added that the deal "delivers in ways that many said could simply not be done." It would put in place a transitional relationship with the European Union through the end of 2020, while a permanent arrangement is negotiated, but the transition period could be extended.

Jeremy Corbyn, the Labour Party leader, called Mrs. May's agreement "a leap in the dark, an ill-defined deal by a never-defined date." The continued uncertainty about Britain's relationship with Europe, lasting at least another two years and possibly much longer, will accelerate the exodus of businesses and investment that is already underway, he said.

"Parliament cannot, and I believe will not," accept the arrangement, he added.

That view was echoed by Ian Blackford, a lawmaker from the Scottish National Party, who said the prime minister was "trying to sell us a deal that is already dead in the water."

Reflecting the cool response to Mrs. May's plan and the talk of a leadership challenge, Laura Kuenssberg, the political editor of the BBC, asked at the prime minister's news conference, "Is it not the case now that you are in office, but you're not really in power?" Mrs. May did not answer directly, sticking firmly to her talking points about the deal and declining to dwell on the politics around it.

The lack of support for the agreement from lawmakers in both major parties had kept the pound down. "What we need to see is ministers who have not resigned come out and back the deal," said Jordan Rochester, a foreign exchange strategist at Nomura Securities. "It's not the P.R. campaign we've expected."

Still, the lack of clarity kept the pound from collapsing, Mr. Rochester said, though calls for a vote of no confidence in Mrs. May did not help. Despite a series of negative headlines through the day, he noted, the pound did not continue to fall.

"There is a buyer out there," he said. "It's guys thinking, 'It's bad now, but it increases the chance of remain.'"

European Union officials lay low on Thursday, declining to comment on the drama across the English Channel, or to speculate about what would happen if Mrs. May were ousted or if Parliament rejected the deal. But speaking on the condition of anonymity, they said the union had gone a long way to satisfy the prime minister's demands that there be no hard border between Ireland and Northern Ireland, and that Britain continue to have frictionless trade with the bloc.

Negotiators "think it is the best we can do collectively with the constraints that we have on both sides," one official said.

Mrs. May made much the same point: "Nobody has any alternative proposal that both delivers on the referendum and ensures there is no hard border between Northern Ireland and Ireland."



Dominic Raab's resignation increases the risk that Mrs. May might face a leadership challenge.CreditAndy Rain/EPA, via Shutterstock

Although a hard-line supporter of Brexit, Mr. Raab had been a core member of the cabinet, and his presence had reassured other hard-line lawmakers. He served as Brexit secretary for barely four months, succeeding David Davis, who also resigned, because he felt that Mrs. May was not taking a hard enough line in negotiations.

In his letter of resignation, Mr. Raab said that he could not "reconcile the terms of the proposed deal with the promises we made."

View image on Twitter

DOMINIC RAAB MP

Member of Parliament for Esher & Walton



HOUSE OF COMMONS LONDON SW1A 0AA

15 November 2018

Dear Prime Minister,

It has been an honour to serve in your government as Justice Minister, Housing Minister and Brexit Secretary.

I regret to say that, following the Cabinet meeting yesterday on the Brexit deal, I must resign. I understand why you have chosen to pursue the deal with the EU on the terms proposed, and I respect the different views held in good faith by all of our colleagues.

For my part, I cannot support the proposed deal for two reasons. First, I believe that the regulatory regime proposed for Northern Ireland presents a very real threat to the integrity of the United Kingdom.

Second, I cannot support an indefinite backstop arrangement, where the EU holds a veto over our ability to exit. The terms of the backstop amount to a hybrid of the EU Customs Union and Single Market obligations. No democratic nation has ever signed up to be bound by such an extensive regime, imposed externally without any democratic control over the laws to be applied, nor the ability to decide to exit the arrangement. That arrangement is now also taken as the starting point for negotiating the Future Economic Partnership. If we accept that, it will severely prejudice the second phase of negotiations against the UK.

Above all, I cannot reconcile the terms of the proposed deal with the promises we made to the country in our manifesto at the last election. This is, at its heart, a matter of public trust.

I appreciate that you disagree with my judgment on these issues. I have weighed very carefully the alternative courses of action which the government could take, on which I have previously advised. Ultimately, you deserve a Brexit Secretary who can make the case for the deal you are pursuing with conviction. I am only sorry, in good conscience, that I cannot.

My respect for you, and the fortitude you have shown in difficult times, remains undimmed.

Yours sincerely,

Tel: 020 7219 7069 Fax: 020 7219 2198

E-mail: dominic.raab.mp@parliament.uk Website: dominicraab.com

the terms proposed for our deal with the EU. Here is my letter to the PM explaining my reasons, and my enduring respect for her.

Ms. McVey's departure, though damaging, was less of a surprise.



The Rt Hon Esther McVey

Member of Parliament for Totton

15/11/18

Deav Prince Ministry

There is no more important task for this Governouse, thus delivering on the United Kingston's decision to loove the European Union. This is a matter of trust. It is about the future of our country and the integrity of our democracy.

The deal year put before the Cabinet yesterday does not become the result of the exteresdare. Indeed, it doesn't exect the tests you set from the outset of your premierable.

Reportedly you have said that we must regain control of our money, our borders and our lates and develop-our own independent trade policy. I have always supported you to deliver on those objectives. Even after Chapters when you knew I shored the concerns of a very significant number of colleagues. I believed that we could still work collectively to human the will of the British people and socure the right outcome for the future of our country. This deal field to do this.

The proposals put before Cabinet, which will some he judged by the entire country, risease handing over around £366n to the £3 without anything in return. It will trap us in a contents union, despite you specifically promising the British people we would not be. It will bind the hands of not only this, but fature Concernments in pursuing genuine free trade policies. We wouldn't be taking book control, we would be handing over control to the £0 and even to a third country lies or bitration.

It also threatens the intogrity of the United Kingdom, which as a Unionist in a risk I cannot be purty to.

The British people have always been aloud of politicians on doe lesse, and it will be no good trying to pretend to them that this deal bonours the result of the referendam when it is obvious to everyone it doesn't.

We have gone from no-deal is botter than a bad dood, to any deal is better than nedeal.

I cannot defend this, and I cannot vote for this deal. I could not look my coincitizeness in the eye were I to do that. I therefore have no alternative but to resign from the Government.

It has been a buge honour to serve as Secretary of State for Wlock & Femilions, and I am immensely provid of the part I have played in the record levels of employment we have seen in all parts of the E.K. Touth unemployment has holved since 2000, and we now have record member of weeners and BAME in work and more 2003, 973,000 more disabled people in work.

With employment over 3.3million more than in 2010 we have helped 1,000 more people into work each and every day since we took office.

I are extremely graheful to you for appointing me to the rule, and for the support you have given to me, not least in the run up to the hadger, ensuring Universal Drolli got a much needed injection of £4.55 disco. That has made my decision a greater wrench.

However, in politics you have to be true to the public and also type to yourself.
Had I stayed in the Government and supported this deal with the EU I sopulate't be doing that.

Constituency Office: 84 Chapel Lone, Wilmsiew 583 536

Ersalt officesfeethermoverepiliparliament.sk - Talephone: 01625 529922



Esther McVey@EstherMcVey1

Earlier this morning I informed the Prime Minister I was resigning from her Cabinet

Another cabinet minister, Penny Mordaunt, the international development secretary, was also reportedly reconsidering her position after a cabinet debate on Wednesday that Mrs. May described, diplomatically, as "impassioned." As many as 10 cabinet ministers were reported to have voiced reservations.

lain Duncan Smith, a leading Conservative supporter of Brexit and former party leader, told the BBC that the effect of Mr. Raab's resignation would be "devastating," because it suggested that the Brexit secretary's concerns had been ignored, despite his pivotal position in government and in withdrawal negotiations.

Such is the unhappiness from around the party at Mrs. May's draft deal that the calculation of those who want to oust her might change.

It would take written requests from 48 Conservative lawmakers to secure a vote of no confidence in Mrs. May. Though the hard-line pro-Brexit faction has that number, it has held back so far because it does not believe that it has enough support to topple her.

To oust her as prime minister would require a majority of Conservative lawmakers — at least 158 — voting to force her out.

On the floor of Parliament on Thursday, Mrs. May faced a torrent of criticism, much of it from members of her own party. One Conservative lawmaker, Julian Lewis, described her deal with Europe as "a 'Hotel California' Brexit deal which ensures that we can never truly leave the E.U."

Mr. Rees-Mogg, the Conservative Brexit hard-liner, said that the prime minister's promises and actions "no longer match," and asked why he should not join those demanding a vote of no confidence. He later confirmed that he had done just that.

Britons voted to quit the European Union in a 2016 referendum, but since then the Conservatives have been split between those who want to keep some close economic ties to the bloc, to protect the economy, and others who want a cleaner break.

An abandoned customs post on the border between Ireland and Northern Ireland. The border is probably the toughest challenge in Britain's withdrawal from the European Union.CreditAndrew Testa for The New York Times



An abandoned customs post on the border between Ireland and Northern Ireland. The border is probably the toughest challenge in Britain's withdrawal from the European Union. Credit Andrew Testa for The New York Times Worryingly for Mrs. May, many of her enemies, on both the right and the left, are converging around the view that the compromise she has carefully forged is the worst of both worlds, leaving Britain without a voice in the European Union but still subject to many of its trade rules. Several leading Brexit supporters have characterized the draft deal as worse than membership in the bloc they find so objectionable.

The focus of the discord has been around plans to ensure that, whatever happens in future trade talks, there should be no physical checks at the border between Northern Ireland, which is part of the United Kingdom, and Ireland, which is a member of the European Union.

Under the so-called backstop plan that is part of the draft deal, the whole of the United Kingdom would remain in a customs union with the European Union until future trade plans that negate the need for border checks are worked out.

But Northern Ireland would be subject to more of the European Union's regulatory processes than the rest of the country, a fact that Mr. Raab said "presents a very real threat to the integrity of the United Kingdom."

He also objected to the fact that Britain could not unilaterally leave the backstop, a move that would clear a path to exit a customs union and pursue trade deals with other countries.

One of Mr. Raab's under secretaries for Brexit, Suella Braverman, also stepped down on Thursday. Their departure had been preceded on Thursday morning by the resignation of Shailesh Vara, a junior Northern Ireland minister.

Shailesh Vara MP North West Cambridgeshire



HOUSE OF COMMONS LONDON SWIA GAA

The Prime Minister
The Rt Hon Theresa May MP
10 Downing Street
London SW1

Dea lam Kinster

15th November 2018

I write to offer my resignation as a Minister in your Government. I do so with sadness but I cannot support the Withdrawal Agreement that has been agreed with the European Union.

The EU Referendum offered a simple choice – to either stay in or leave the EU.

The result was decisive with the UK public voting to leave and that is what we, their elected representatives, must deliver.

The Agreement put forward however, does not do that as it leaves the UK in a half-way house with no time limit on when we will finally be a sovereign nation.

Given the past performance of the EU, there is every possibility that the UK-EU trade deal that we seek will take years to conclude. We will be locked in a Customs Arrangement indefinitely, bound by rules determined by the EU over which we have no say. Worse, we will not be free to leave the Customs Arrangement unilaterally if we wish to do so. Northern Ireland in the meantime will be subject to a different relationship with the EU from the rest of the UK and whilst I agree there should be no hard border between Northern Ireland and Ireland, the economic and constitutional integrity of the United Kingdom must be respected.

With respect Prime Minister, this Agreement does not provide for the United Kingdom being a sovereign, independent country leaving the shackles of the EU, however it is worded.

We are a proud nation and it is a sad day when we are reduced to obeying rules made by other countries who have shown that they do not have our best interests at heart. We can and must do better than this. The people of the UK deserve better. That is why I cannot support this Agreement.

It has been an honour and privilege to serve as a Minister in the Northern Ireland Office and I leave with the fondest of memories.

Your



Shailesh Vara MP@ShaileshVara

With much sadness and regret I have submitted my letter of resignation as a Northern Ireland Minister to the Prime Minister. A copy of my letter is

attached.

It has been a joy and privilege to serve in the Northern Ireland Office and I will always cherish the fondest memories.

Speaking at a news conference in Brussels shortly before Mr. Raab's announcement, Michel Barnier, the top European Union negotiator, and Donald Tusk, the president of the European Council, said they would call a summit meeting for Nov. 25, where leaders of the bloc's member states could endorse the deal.

Mr. Tusk said that the accord approved by the British cabinet meets two crucial objectives: It limits the damage Brexit would cause, and it protects the vital interests of the 27 remaining members states and the European Union as a whole.

"We have always said Brexit is a lose-lose situation and these negotiations were always about damage control," he said.

Mr. Barnier said that the coming days, when the focus will be on finalizing a political declaration outlining the future relationship between Britain and the European Union, would be "intense," adding that "we have no time to lose." Brexit is scheduled to take effect on March 29.

However, European Union officials have made it clear that they were scheduling the summit meeting on the assumption that turbulence in Mrs. May's party would not paralyze or overwhelm her government.

Follow Stephen Castle on Twitter: @_StephenCastle.
Reporting was contributed by Michael Wolgelenter, Amie Tsang and Richard
Pérez-Peña from London, and Steven Erlanger from Brussels.

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