

6th July

Theresa May facing cabinet backlash over last-ditch Brexit plan

Tom Gordon, Scottish Political Editor



May facing cabinet backlash over last-ditch Brexit plan

THERESA May has been accused by senior Tories of a Brexit sell-out, after leaked Cabinet papers admitted her plans would hamper the UK's ability to strike its own trade deals.

The Prime Minister was criticised by leading Brexiter Jacob Rees-Mogg and former ministers who said she had abandoned her own red line on quitting the EU single market.

One MP called it a "botch" and a "complete mess" that broke Tory manifesto promises.

The ferocious backlash piles pressure on pro-Brexit cabinet ministers Boris Johnson and Michael Gove to reject Mrs May's soft Brexit idea at a crunch meeting at Chequers today.

The pair tonight conferred with Brexit Secretary David Davis and other Eurosceptic ministers, including Esther Mcvee and Andrew Leadsom, in Mr Johnson's office.

It followed reports that Mr Davis was also unhappy about the plan, telling Mrs May the EU would reject it because it would rely on the UK policing EU import tariffs.

Despite backing a single market in goods, the 100-page paper says the UK should diverge from EU rules on services, something Brussels has already dismissed as cherry picking.

After months of kicking the can down the road to avoid walk-outs from her divided cabinet, today's meeting is supposed to settle the UK's preferred Brexit plan for customs and trade.

A White Paper next week should then form the basis of negotiations with the 27 other EU nations before the October deadline for a EU-UK deal.

Speaking after meeting German Chancellor Angela Merkel in Berlin on Thursday, Mrs May said she had gathered her cabinet "to decide on a substantive way forward".

Mrs Merkel said Brexit talks were now entering a "crucial phase".

The UK's ability to strike trade deals is seen as a cornerstone of Brexit by its supporters.

However papers given to the Cabinet for the crunch meeting at Chequers about the UK's Brexit blueprint propose a "harmonisation" of UK and EU rules that could scupper this.

They said the UK should make an "upfront choice" to align its rules with the rest of Europe on goods and agriculture, something which would antagonise the US in particular.

Donald Trump's commerce secretary, Wilbur Ross, has already said he wants a post-Brexit UK to open itself up to US goods such as GM crops and chlorinated chicken, which are banned under EU standards, as part of broader transatlantic trading arrangements.

But the Chequers paper says "the UK should maintain a common rulebook for all goods including agri-food", acknowledging this "would not allow the UK to accommodate a likely ask from the US in a future trade deal" as the UK could not recognise US standards.

Mr Rees-Mogg, chair of a 60-strong group of Eurosceptic Tory MPs, said ending the UK's regulatory alignment with Europe was a "red line" and Mrs May should tear up the plan.

He said: "This is not Brexit. This common rulebook means that we are essentially a vassal state. This would be directly contrary to the Prime Minister's own assurances."

Former Environment Secretary Owen Paterson said the plan was a botch, a complete mess and a "complete breach" of Mrs May's manifesto commitments to leave the single market, the customs union and the European Court of Justice.

He said: "We could not eliminate tariffs to reduce prices for consumers and businesses, or strike free trade deals. This would deny the economy the full benefits of Brexit... and be completely at odds with what 17.4m voted for. We would be out of Europe but still run by Europe."

Former Brexit minister David Jones added: "Quite simply, this is not what people voted for in 2016. This is not Brexit."

Scottish Brexit Secretary Michael Russell said the Tories had become "the lemming party".

Scottish Secretary David Mundell repeatedly refused to rule out resignations when Mrs May's deeply divided cabinet assembles at her country retreat today.

He said: "I think there will be robust discussions. Of course people have strong views in relation to leaving the EU. But at the end of the day it's about reaching an agreement."

"I'm confident that we can, and everybody should rally round that."

He said he would ensure any deal protected "the integrity of the United Kingdom".

After a meeting with UK ministers in London on Thursday, Mr Russell published a list of demands - mostly the status quo - the SNP government wants to see in the UK blueprint.

Sebastian Kurtz, the Austrian Chancellor, said he would support delaying Brexit beyond March 2019 to allow more time for talks to ensure the Irish border issue was resolved.

He said: "Our goal is to reach agreement [on the border]. If that's not possible we need to avoid a hard Brexit. If not, it's good to keep negotiating."

Asked if that meant extending the two-year Article 50 process, he said: "We'll see?"

Meanwhile Germany Industry UK, which represents 100 companies including BMW, Lufthansa and ThyssenKrupp said it needed "certainty and clarity about the way forward sooner rather than later" over Brexit or German investment in the UK would suffer.

Jaguar Land Rover, Britain's biggest vehicle manufacturer employing 40,000 people, this week said a bad Brexit would force it to rethink an £80bn investment in the UK.

Unite general secretary Len McCluskey said the government was playing "Russian roulette" with tens of thousands of jobs by a government that "places its survival, indulging narrow, extremist views, above the well-being of the people of this country".

Jaguar boss Dr Ralf Speth said the firm and its suppliers faced an "unpredictable future" if frictionless trade with the EU and unrestricted access to the single market ended with Brexit.