

# Conservative rebels threaten to block a Canada-style deal

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Up to 40 Tory MPs would block a Canada-style Brexit deal with the EU, it was claimed yesterday.

Theresa May is under pressure from members of her cabinet to pivot towards a hard-Brexit arrangement, based on the trade deal between the EU and Canada, if the bloc again rejects her Chequers proposal. It would mean a looser relationship with the EU with more trade barriers.

The European Research Group (ERG) also wants the prime minister to change course away from Chequers, which would mean Britain maintains EU rules for goods but allows for much less friction at the border after Brexit.

Amber Rudd, the former home secretary, led the warnings against a Canada-style deal yesterday when she argued that ministers should look again at membership of the single market.

"I've talked to a few colleagues and I reckon there are conservatively about 40 of us, who would not support a Canada-type deal," she said. "But to be frank there are so many reasons a Canada-type deal doesn't work, starting with the Irish border, going on to manufacturing, that I think we can make those arguments.

"That just reinforces the point that there is an impasse if the two wings of our party face up to the fact that we have these elements that differentiate us but the rebel group need to think again because I think we've only got one shot at a negotiated settlement," she told *ITV's Peston*.

Dominic Grieve, the former attorney-general, told the *Evening Standard*: "There are a substantial number of Conservative MPs who see a Canada-style deal as unacceptable. It leaves us without frictionless trade with our closest partners and with the Irish border unresolved. It threatens to break up our

country and [cause] serious economic damage."

A senior figure in the Democratic Unionist Party (DUP) said the ERG's Brexit strategy was "vague and contradictory". Sammy Wilson, who has previously called for the prime minister to rip up her Chequers blueprint, said his party could not endorse the rival plan from leading Brexiteers, including David Davis and Jacob Rees-Mogg.

He told *The News Letter* in Belfast that the ERG idea urges ministers to seek a "basic" free-trade agreement for goods and pursue "regulatory freedom and trade independence". The proposals contained "inconsistencies" and questions needed to be answered about their scope. "I am not sure if this report is deliberately vague or just not very well thought out," he said.

The ERG insisted that Nigel Dodds, the DUP deputy leader, supported their proposals on Ireland. The government relies on DUP support to pass legislation in the Commons.

Meanwhile, the chief executive of German Industry UK (GIUK), which represents companies such as BMW, Mercedes-Benz and Lufthansa, said the organisation had concluded that "no deal" was now the most likely Brexit option. Bernd Atenstaedt said that it had backed Mrs May's efforts to break the impasse but German firms operating in the UK "have to be realistic."

"What she proposed was the best she could do under the circumstances," he said. "But I know Brussels will not drop their red lines. Would it be better if they showed more flexibility? Yes. The British government is doing its best but it can't get anywhere with Brussels.

"You have to face it as it is, with politics as it is, we don't know what is going to happen. I think from what we have followed now [a no-deal Brexit] is very likely. Yes, most likely. If you go to my head office in Berlin they say the same."

**Philip Collins, page 25**