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EUROPE

# U.K.'s Brexit Deal in Jeopardy as Senior Ministers Resign

Prime Minister Theresa May seeks to fend off opposition to her deal that could threaten her premiership, while sterling falls sharply



British Prime Minister Theresa May faced a brace of high-profile cabinet resignations on Thursday, less than 24 hours after she secured approval for her Brexit deal. PHOTO: JACK TAYLOR/GETTY IMAGES

By *Max Colchester and Jason Douglas*

Updated Nov. 15, 2018 8:35 a.m. ET

LONDON—U.K. Prime Minister Theresa May was fighting to save her Brexit deal just hours after it was sealed, as two senior members of her cabinet quit amid deepening political turmoil over the terms of her plan to exit from the European Union.

Brexit Secretary Dominic Raab and Pensions Secretary Esther McVey resigned Thursday and the prime minister faced a barrage of criticism in parliament over the plan, raising the possibility that she could face an open challenge to her leadership.

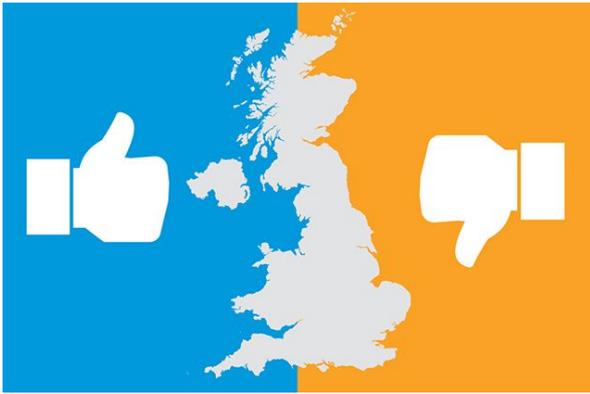
The British pound fell sharply after the announcements, trading down 1.5% against the dollar on the day.

The coming hours and days will be critical for Mrs. May's Brexit deal and her premiership as she seeks to quell a rebellion that has been brewing for months within her own party over the U.K.'s future ties to the EU.

On Wednesday, Mrs. May secured approval from her cabinet for a deal that would bind the U.K. to the EU for years after it formally quits the bloc in March.

But the pact has collided with fierce opposition from both within her Conservative Party and the Labour Party opposition. In addition to the two senior ministers, four junior members of her government quit in protest.

In an address to Parliament on Thursday, Mrs. May defended the deal, appealing to lawmakers of all parties to back it when it goes to the House of Commons for approval, and rejected suggestions she should step down as prime minister.



“The choice is clear: We can choose to leave with no deal. We can risk no Brexit at all. Or we can choose to unite and support the best deal that can be negotiated,” Mrs. May said. “Voting against a deal will take us all back to square one.”

But the raucous debate in Parliament underscored the challenges she faces.

“It is mathematically impossible to get this deal through,” said

Mark Francois, a euroskeptic member of the Conservatives. Mr. Francois said he estimates that more than 80 Tory lawmakers are prepared to vote against the deal, as are Mrs. May’s allies in the Democratic Unionist Party and opposition parties. “The stark reality, Prime Minister, is that it was dead on arrival.”

Mrs. May relies on the DUP for a majority in the U.K.’s 650-seat Parliament. That alliance looked increasingly shaky on Thursday, as members of the Northern Irish party criticized the deal.

Mrs. May, who was in favor of remaining in the EU ahead of the 2016 referendum, has struggled to unite a Conservative Party that is buffeted by lawmakers who want the U.K. to retain close ties to its biggest trading partner after it exits the bloc and those who want the country to break free to strike free-trade agreements with other countries.

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Mrs. May has spent her premiership jousting with a core of heavily euroskeptic Conservative lawmakers who have openly threatened to oust her from office if she didn’t deliver a Brexit deal they deem acceptable.

A Conservative Party leadership challenge can be triggered if 48 Tory lawmakers submit letters of no confidence to a special committee. Even if such a challenge emerges, it is unlikely that a majority of Tories will then vote in favor of ousting her from office. However, an open rebellion of 48 lawmakers would mean Mrs. May wouldn’t have the support within her own ranks to get Brexit deal voted through Parliament.

Jeremy Corbyn, the leader of the main opposition Labour Party, said his party would vote against the proposed deal. “The government must withdraw this half-baked deal,” he told a rowdy House of Commons.

Mrs. May’s plan would essentially leave the U.K. largely within the economic orbit of the EU, with Britain continuing to follow many of the bloc’s regulations and applying its tariffs. But in leaving the EU, London would lose the leverage to influence policies in the EU, which represents half of U.K. trade.

Some of Mrs. May’s critics have charged that her deal represents the worst of both worlds and betrays the 2016 vote by leaving the U.K. tethered to the EU—thus constraining its ability to strike free-trade deals with third nations—but without influence on the bloc’s decisions.

Mrs. May’s plan would leave Northern Ireland more closely tied than the rest of the U.K. to the EU if a broader Brexit deal on Britain’s long-term trading and economic relations can’t be reached.

Mr. Raab said in his resignation letter that “the regulatory regime proposed for Northern Ireland presents a very real threat to the integrity of the United Kingdom.”

Investors are concerned about the possibility that the U.K. could leave the EU without a deal next March. The pound was down 1.5% against the dollar at \$1.2786, while the U.K.'s FTSE 250 stock index was 1.3% lower.

The EU has called a summit of leaders to discuss the withdrawal agreement on Nov. 25.

European Council President Donald Tusk said Thursday the EU remained ready for all scenarios, including a possible reverse of Brexit.

“All I can say is that the EU is prepared for a final deal with the United Kingdom in November,” he said. “We are also prepared for a no deal scenario.”

—*Paul Hannon contributed to this article.*

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### **Corrections & Amplifications**

Dominic Raab resigned as the U.K.'s Brexit secretary. An earlier version of this article incorrectly referred to him as the EU Brexit secretary. (Nov. 15, 2018)

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