

Committee on the Future Relationship with the European Union

Oral evidence: Progress of the negotiations on the UK's Future Relationship with the EU, HC 203

Wednesday 11 March 2020

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[Watch the meeting](#)

Members present: Hilary Benn (Chair); Mr Peter Bone; Joanna Cherry; Mark Eastwood; Florence Eshalomi; Mark Fletcher; Sally-Ann Hart; Antony Higginbotham; Dr Rupa Huq; Stephen Kinnock; Seema Malhotra; Nigel Mills; Matthew Pennycook; Nicola Richards; Jane Stevenson; Matt Vickers; Dr Philippa Whitford.

Questions 1-79

Witness

I: The Rt Hon Michael Gove MP, Chancellor of the Duchy of Lancaster, Minister for the Cabinet Office.



Examination of witness

Witness: Michael Gove.

Q1 **Chair:** Mr Gove, thank you very much indeed for giving evidence to us today. We have at least 10 members who would like to put questions to you. We are aware of your time constraint and that works out exactly at six minutes each, so if you are still answering the question at that time I may say, "No disrespect, we need to move onto the next one". If we can keep our questions brief and if you could keep your answers as brief as possible that would be really helpful. I will write to you with follow-up questions afterwards because there may be things that we wanted to ask or that arise from the evidence.

Sorry, there are technical issues. We are waiting to see whether the live streaming has started, the broadcasting of it. We are going to crack on, in view of the time, as long as we have it got it recorded. Apologies for that interruption.

First from me, how often do you intend to report orally to Parliament on the progress of the negotiations?

Michael Gove: As often as Parliament feels it would be appropriate. I am delighted to either make statements and answer questions to this Committee, or respond to urgent questions if Parliament feels that that is appropriate.

Q2 **Chair:** Right, but do you have a plan, given that there is a schedule of negotiating meetings which has been published? Is it a three-week cycle?

Michael Gove: It is exactly that, a three week cycle.

Q3 **Chair:** Yes, so after every second one is that something you would be happy with in terms of offering a statement to the House?

Michael Gove: I would be delighted to be guided by this Committee and others. I am at Parliament's disposal.

Q4 **Chair:** Fine, that is really helpful. It is reported that the Government propose to publish draft treaty texts very soon. Can we just be sure that Parliament will see a copy the moment it is offered to the EU negotiators?

Michael Gove: It is fair to say that while we have and are preparing draft treaty text, the question of publication is one that has still not been decided on, both the timing of publication and with whom it will be shared. I very much take on board your point that at the point that it might be shared with the EU's negotiating team that it may also be shared with Parliament. However, even if it is shared with the EU negotiating team the EU negotiating team may not therefore be sharing it beyond its own UK taskforce team.

Q5 **Chair:** My understanding was the European Commission had said that it wanted to ensure full transparency and that it will share anything it



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publishes with European parliamentarians and by definition the rest of us. Could we end up in a situation where parliamentarians and the rest of the EU could see what the EU was proposing by way of text, but we could not see what the UK Government were proposing? That would not be satisfactory, would it?

Michael Gove: If the EU decides to publish a full text then that is its decision, but of course it will be the case that they may share parts of its text, parts of the draft treaty with us, without fully publishing everything. It is important to recognise that while we can have parts of the proposed treaty being shared during the course of the negotiations in the spirit of confidence and confidence building, either side of course may publish its treaty in full at an appropriate moment, but we reserve the right to decide when that publication should occur.

Q6 **Chair:** And you have not taken a decision about when it would be appropriate to share it with Parliament.

Michael Gove: It would be appropriate when it is published to be shared with Parliament and others, but regarding the key question as to when it is published, no decision has yet been taken on that timing.

Q7 **Chair:** Right. The Government produced a 60-page impact assessment for the proposed free trade agreement with the United States of America. Are you planning to do the same for your proposed free trade agreement with the EU?

Michael Gove: No.

Q8 **Chair:** Why not?

Michael Gove: Because we are going to take a different approach. We are going to invite, from across a range of organisations, their views on what the impact of a free trade agreement with the EU and consequent changes might be. I am personally sceptical of efforts to say that any given impact assessment by a Government Department is an accurate prediction of the future. As load-bearing devices go, they are perhaps not the most effective ways of delivering a proper range of views about what the economic consequences of a course of action might be.

Q9 **Chair:** If that is the case, why did the Government publish 60 pages of economic assessment of the free trade agreement with the United States of America if you are not persuaded of the benefit of such an assessment?

Michael Gove: It is an evolving picture.

Chair: I think it is called a contradiction.

Michael Gove: No, it is an evolving picture. I am not persuaded of the merits of publishing assessments and then assuming that those are going to give us an accurate prediction of the future.

Q10 **Chair:** So when your colleagues extol the virtues of a free trade



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agreement with the United States of America, praying in aid to the economic assessment that has just been published, you are not persuaded that that is correct.

Michael Gove: No, that is not what I said. It is important to recognise that there are always going to be a range of views about what a particular course of economic action would lead to. It is important not to look at any particular course of economic action in isolation.

Q11 **Chair:** Just to clarify on goods moving from GB to Northern Ireland under the Northern Ireland Protocol, we know there are some registered checks at the moment. We discovered that in the last three years. Will there be additional checks once the Northern Ireland Protocol is implemented?

Michael Gove: That will be a matter for the Joint Committee.

Q12 **Chair:** Is there any doubt about that?

Michael Gove: I do not want to prejudice what happens in the Joint Committee.

Q13 **Chair:** How will you ensure that goods that are at risk of entering the Republic of Ireland are properly identified if you cannot say at the moment there will be some additional checks?

Michael Gove: That is a matter for the Joint Committee.

Q14 **Mark Eastwood:** Mr Gove, the Chair has already touched upon the US trade deal. President Trump has committed to a US/UK trade deal already. What are the chances of both the US and EU trade deals being completed by the end of the year?

Michael Gove: There is no reason why they cannot be both completed by the end of the year.

Q15 **Mark Eastwood:** Bearing in mind the looming presidential election and narrowing window of opportunity, would you consider giving equal status to both trade negotiations?

Michael Gove: We do give equal status to both trade negotiations. I had the opportunity to meet Bob Lighthizer, the US Trade Representative, and I know that my counterpart, Liz Truss, did when he was here recently. We are doing everything we can, not just to pursue a trade relationship and a new trade agreement with the United States, but also with Australia and New Zealand, and indeed as part of the CPTPP process.

Q16 **Mark Eastwood:** Moving on from that, obviously the big issue at the moment is the coronavirus. Given the spread of coronavirus across Europe, Italy's recent lockdown, and the prospect of coronavirus lingering for months to come, do you anticipate difficulties in arranging face-to-face meetings and a general slowing down on the negotiations with the EU?



Michael Gove: It is a live question. We were looking forward to the Joint Committee meeting in the UK on 30 March, and we were obviously looking forward to the next stage of negotiations going ahead. However, we have had indications today from Belgium that there may be specific public health concerns, so I will keep the House and the Committee updated on progress.

Q17 **Mark Eastwood:** We have already seen huge turbulence in the markets resulting from coronavirus. What impact, if any, will coronavirus have on the deadline and could there be a possible extension to that deadline?

Michael Gove: No, there will not be any extension to the deadline.

Q18 **Mark Eastwood:** Considering recent scenes of panic buying, with supermarkets struggling to restock things like toilet roll and hand sanitiser quickly enough, are there any lessons we can learn from this experience when it comes to preparedness and supply chains?

Michael Gove: I would draw a distinction between the two. I was very reassured to see on the BBC News website earlier today that one of our own strong domestic suppliers of loo roll in Essex had managed to scale up to meet the need, which is an example one again of a business's ingenuity and capacity to adapt. More broadly, the work that was done by the Civil Contingencies Secretariat last year in order to prepare for the consequences of a potential no-deal exit was an example of limbering up. It was an example of Government anticipating, as our brilliant civil servants do, a range of potential outcomes. The Civil Contingencies Secretariat, along with the Department of Health and Social Care, are doing a great job on preparing for the impact of the coronavirus now. It is also the case that businesses are looking entirely separately at some of the changes that will come about, and which are relatively predictable, at the end of this year, and thinking about how they can take advantage of those new opportunities and mitigate any risks.

Q19 **Mark Eastwood:** As far as EU defence cooperation is concerned, how would you ensure that the future agreement does not tie us up in the EU regulations and rules?

Michael Gove: We have been perfectly clear that we want to have a strong relationship with the EU on defence, but we will not do anything that would prejudice our autonomy, freedom of action and our freedom to procure what we need to procure in our own way. The Prime Minister has been very, very clear about that. It is the case that you can have structured cooperation, so that we can make sure that our units that are forward deployed in places like Estonia can move smoothly through Europe in order to perform and discharge their functions. More recently we have been cooperating in the Sahel with the French on a bilateral basis, but the one thing that we will not do is be tied up in any common security or defence policy.

Q20 **Mark Eastwood:** The freedom that comes from taking back control of our regulatory framework means that we are able to align on some things



and diverge on others. On which areas specifically do you see us aligning and on which do you think we will diverge?

Michael Gove: Ultimately it will be for this Parliament and future parliaments to decide. This Parliament and future parliaments will be influenced by business and changing economic circumstances, but as a number of people have said, there is no point in diverging for the sake of divergence. When we think about alignment it is also important to underline that we will not be dynamically aligning with the EU. We will not be aligning in a way that means that we will be following ECJ jurisprudence or subject to any European agency. Of course, it may well be the case that individual businesses, observing what the rules are to sell into the EU market quite properly, produce and manufacture goods that can sell easily into that market.

Q21 **Mark Eastwood:** On top of the measures already in place to help business, what additional help can we give to businesses to prepare for exit with or without a deal?

Michael Gove: We are seeking to communicate to business at the moment the fact that, whether it is a Canada-style or an Australia-style relationship with the EU, there are some changes that business will need to make. We know there are around 140,000 businesses that export to the EU but not beyond it. Those are business that HMRC has already been in touch with and we are continuing with our engagement with those businesses in order to explain how new customs procedures will have to become part of their way of trading with the EU. It is also the case that the Department for International Trade is engaging with those businesses to say that preparing for those new processes is not just a way of ensuring continuity of business with the EU; it is also a way of scaling up to take advantage of other trading opportunities with other countries.

Q22 **Stephen Kinnock:** I wanted to ask about this question of proximity. Your party, Mr Gove, fought the general election on the basis of an oven-ready deal, and that oven-ready deal was as set out in the Withdrawal Agreement and the political declaration. On 27 February you came to the House and argued that proximity is not a determining factor in FTAs with neighbouring states. Yet paragraph 77 of the political declaration states that, "Given the Union and the United Kingdom's geographic proximity and economic interdependence, the future relationship must ensure open and fair competition, encompassing robust commitments to ensure a level playing field".

Can you explain the disparity between those two positions? On the one hand, you are signing up to a political declaration that puts proximity as the defining factor in the relationship, but then everything that has happened since the general election seems to be the Government walking away from that commitment.

Michael Gove: I do not think we have been walking away from the political declaration at all. The point about the political declaration is that it envisages a zero tariff, zero quota free trade agreement at the end of



this process. What we have been seeking to do is to build on existing precedents that the EU acknowledges and understands, and saying that we want to have a relationship entirely similar to that which the EU has with other sovereign equals. Of course, it is a geographical fact that the UK is proximate, but that does not mean and need not mean that we accept EU institutions exercising a supervisory role in Great Britain. That is the distinction that we were seeking to draw.

Q23 Stephen Kinnock: Why then did you sign up in the political declaration to “robust commitments to ensure a level playing field” because of proximity? That is fundamental to the whole argument about a level playing field and the need to have alignment in order to get zero tariffs and zero quotas.

Michael Gove: There are two things. The volume of trade that the UK does with the EU is broadly similar to the volume of trade that the US does with the EU, and yet the EU were perfectly prepared during the TTIP negotiations to offer a zero tariff arrangement to the US, even though there was no geographical proximity there. We take the view that we can look at the totality of commitments that the EU has entered into.

When it comes to issues of workers’ rights, social protection and the environment—which are often the issues people refer to when they use the phrase “level playing field”—the Prime Minister and I have been clear that not only will we not row back on protections in any of those areas, we hope and I believe we are already setting the pace when it comes to areas of environmental protection. The EU can feel reassured, if it is concerned about these areas, that there will not be any attempt on our part to erode environmental protections in a way that they might consider would give us a temporary competitive advantage.

Q24 Stephen Kinnock: The premise was that we will get a zero tariff and zero quota deal, and yet the political declaration is saying that without those level playing fields, particularly around state aid and competition, we will not get it. Do you not think it is a problem that this was sold in the general election as oven-ready, but in fact it was at the back of the frozen food section?

Michael Gove: No. It is the case that you can often have frozen foods that are indeed oven-ready; they just take slightly longer for the microwave to ping. The critical point is that the political declaration makes the point that both sides want to achieve that zero tariff, zero quota deal. More broadly, one of the reasons why it should be possible, with goodwill, to conclude a deal is that the deal we are putting forward—and this relates to the point that the Chairman made about publishing texts—is one that is built on precedence. We want to say, “In this respect it is similar or completely analogous to the relationship that you have concluded with Canada, Japan or South Korea”. In that sense, to extend the metaphor, rather than having to assemble all the ingredients from scratch and trying to cook altogether, it is an already prepared set of dishes. It is rather like the Marks & Spencer deal where you get a starter,



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a main course and a pudding, then you can decide which of the three you want to get, all for £9.99, and then you are away.

Q25 Stephen Kinnock: It sounds absolutely delicious, Mr Gove. The thing I wanted to move on to was the Northern Ireland Protocol, and particularly the issue of state aid. As you know, under the Northern Ireland Protocol Northern Ireland is signed up to the full panoply of state aid laws, rules and regulations. Can you explain how that is going to impact on businesses that are trading out of England into Northern Ireland, and then on to the European Union? All of those businesses are going to be subject to the full panoply of state aid regulations. Is that correct?

Michael Gove: No, we do not believe so. The subsidy regime that the UK proposes to put in place after we have left the EU will be one that the EU will recognise as a robust system. More than that, it is also important, as I briefly mentioned earlier to the Chair, that the effective working of the protocol is a matter for the Joint Committee to resolve. I am looking forward to that meeting in order to ensure that we can develop the protocol and implement it in all its provisions, in a way that ensures that the people and economy of Northern Ireland benefit.

Q26 Sally-Ann Hart: I am from a coastal, rural community where fishing and agriculture sectors are vitally important. When looking at the negotiation, do you think fishing and agriculture are strong leverage for the negotiation? If not, what is strengthening our position and what is weakening it?

Michael Gove: We are in a strong position in both those areas. I know that there are Defra officials and others who form part of the negotiating team. There are two things in particular that I would mention. The first is, as all members of this Committee know, in the United Kingdom's exclusive economic zone we have the majority of fishing resource that has been in the past within the EU. This is a great sovereign asset and other countries have been clear that they wish to retain access to it. Their access will only be on our terms. We will be an independent coastal state, and that is a strong position for the United Kingdom to be in.

On agriculture and agrifood overall I would say several things. The first is that we import more from the EU than we export to the EU, so there is an interest from particular sectors in the EU in maintaining access to our markets. Obviously there are some sectors, particularly the sheep meat sector, that currently rely heavily on the EU, but there are other opportunities for that sector to diversify as well. Outside the EU we can develop a bespoke system of agricultural support that will enable our farmers to be paid for the environmental benefits that they provide, as well as making a success of marketing British food.

Q27 Sally-Ann Hart: Just picking up on the sovereign asset point, bearing in mind we want the future negotiation and our relationship with the EU to be based on mutual recognition of sovereignty and equal sovereign nations, having nearly restored, how do you respond to Michel Barnier's



rejection of the UK's position on fisheries after the first negotiating round? Mr Barnier noted that asking to negotiate access to stocks annually was impractical, given the number of stocks involved and the need for the fishing industry to have some sort of certainty in order to plan.

Michael Gove: The first thing to say is that there are some on the EU side who said to the UK, "When you are out of the EU you cannot have the same rights that you had when you were in the EU". The same thing applies to others countries' access to our fishing waters. They cannot simultaneously say that now that we are out of the EU there are certain rights of access that we lose to their market and that they must maintain exactly the same rights of access to our fishing waters.

The approach that we propose to take is going to change. We have made it clear that we are going to move away from what is called relative stability, towards something like zonal attachment. That means we will be managing our stocks in the interests of conservation more effectively than has been the case in the CFP, and for our coastal communities. Michel Barnier is a tough negotiator, but it is the case that this is a sovereign UK resource and we will decide access to it on our terms.

Q28 Sally-Ann Hart: The UK said it will assess the progress of talks in June and decide if it wishes to continue negotiating. Would you walk away from the talks over the fisheries and, if yes, what would constitute acceptable progress by June? Will the Government have to support the UK fishing and seafood industries if the talks were to break down, and what plans would have to be put in place, if any, to protect our fisheries?

Michael Gove: Both sides will take stock in June. I am confident that we will be making progress in all sorts of areas. During the course of negotiations there may be bumps on the road, but I am confident that we will be making progress overall. It is the case that we have plans to support the fishing sector in lots of ways, including by getting a replacement for the EMFF, the fund that helps ports and harbours to scale up, as they will, in order to deal with the additional resources that are being landed. I am confident that we will make progress there and I am confident that this coming December we will be negotiating as an independent coastal state what the access of European nations will be, as we will be every December in the way that countries like Norway do.

Q29 Sally-Ann Hart: Just taking up on other agreements, with the negotiating point, do you expect negotiations on further agreements or other agreements to continue past 31 December 2020?

Michael Gove: I would like as much progress as possible to be made. I hope that we can secure a free trade agreement. I am certain that we can secure agreements on fisheries. When it comes to other areas like internal security I am very confident that progress can be made, but a lot depends on goodwill on the EU side in those areas.

Q30 Antony Higginbotham: I will turn to the political declaration, if I may.



During the last stage of the negotiations that felt almost like a side issue. It was not the thrust of the negotiations, but the European Union and others are now holding it up almost as a panacea: "This is the authoritative text". Being a political declaration it is inherently political. From your conversations with the European Union do you get the sense that they recognise the political situation in the UK has changed, so the end result may also change?

Michael Gove: That is a very good point. In some conversations with people in European nations the point is sometimes made, "Well, your Prime Minister now has a healthy majority. Now that he has a healthy majority he can operate in a different way to his predecessor, so if he wanted to get the right deal he could extend, couldn't he?" The point that we have consistently made is the reason the Prime Minister has this big majority is because he made it clear during the general election that he would not extend, that he wanted a relationship where we were outside the single market and outside the customs union, and a relationship of sovereign equals. To their credit, Michel Barnier, Ursula von der Leyen and others have not just recognised but articulated that. However, not every European politician fully appreciates the point that you make about the political context in which we are now operating.

Q31 **Antony Higginbotham:** That brings me on to a broader point. In the last set of negotiations the European Commission very much took the lead and the nations took a step back. Given what you have just said about the Commission broadly recognising the political situation in the individual member states in some cases being lesser, is that negotiation likely to be the same? Is it very much UK to Commission, or will there be a greater role for the member states?

Michael Gove: It will be UK to Commission but, to take two points, one is that the Joint Committee is there to supervise the implementation of the Withdrawal Agreement and the Northern Ireland Protocol. Member states have a right to send their representatives alongside; Commissioner Šefčovič is the EU representative, Michel Barnier is his alternate, but other member states may well make requests. Certainly when it comes to negotiating the FTA it is the case that the negotiations are undertaken by the Commission on behalf of the whole. In the past, member states have sometimes been frustrated that not all of their asks have been reflected in the negotiations. The point has been made by Peter Mandelson that when he was Trade Commissioner sometimes he had to disappoint the French and others because he was thinking about the common good of the whole EU in those negotiations. The Commission's representative is negotiating on behalf of the whole EU, but we have good bilateral relationships with all of the EU member states and they feed into the process of making sure that the Commission's mandate is respected.

Q32 **Antony Higginbotham:** The Government are confident that the Commission recognises the political dynamic that now exists in the UK.

Michael Gove: Yes.



Q33 **Antony Higginbotham:** On the June deadline, the Government have been very clear and you have been very clear that that will be a stock take. There is no intention to extend at the end of the year. I think that is the right thing. What is the test that is going to be set at that June meeting that will decide whether we decide sufficient progress is made? Is that the same test that the European Union will have to say whether they think there is sufficient progress?

Michael Gove: I cannot speak for the EU. They have talked about various different ways in which they will judge good faith. Again, I would not want to prejudice the decision that will be taken in June by saying that there are certain issues that must be resolved in a particular way in order for us to send that signal. We will know it when we see it, but one would hope that progress, for example, on granting equivalents on financial services and data would be things that the EU should be making progress on. They are "for instances", but at this stage I would not want to say anything hard and fast because it may be that we are making very good progress on other areas but one or two things we had hoped to make progress on may not necessarily be as advanced as we would want. It is one of those things where you just have to look at the overall package and consider the dynamic in the talks.

Q34 **Antony Higginbotham:** So it is a dynamic package. There will be bumps in the road, but in June it is a stock take of the whole thing.

Michael Gove: Exactly.

Q35 **Antony Higginbotham:** That leads me quite nicely on to my final question, which is on the UK Government's position being that this will be a free trade agreement and only a free trade agreement, and the EU's position being that this should be comprehensive and include everything on top of it. Are there any areas within that you can see particular friction where we have looked at it and gone, "Actually, we cannot do this institution to institution or structured cooperation, and we may need some more formal agreement"? If there are any of those examples, would they also be negotiated by the end of the year?

Michael Gove: We are thinking about a free trade agreement, a fisheries agreement and an agreement ideally on internal security. As I indicated to Sally-Ann, we may not necessarily have concluded everything on internal security by the 31st.

Q36 **Antony Higginbotham:** Will there be a way to continue some of that cooperation in the interim?

Michael Gove: Yes, absolutely.

Q37 **Dr Philippa Whitford:** As most fishing quota is owned by just a handful of companies, small in-shore fishers do not really gain anything from leaving the CFP, but yet they will actually face increased bureaucracy and tariffs, exactly like Norway, and possibly shipping delays that could increase their costs and decrease their value. What support is the



Government going to give to the in-shore, small boat fishing industry?

Michael Gove: The Defra Secretary of State has been clear that additional quota that we can secure as a result of taking back control of that sovereign resource will be allocated more to smaller boats.

Q38 **Dr Philippa Whitford:** But only on a very fractional basis. There is still a plan that additional quota will follow previous quota and still end up largely in the hands of the handful of big companies across the UK.

Michael Gove: There is precedent for the reallocation of existing quota. When Richard Benyon was Fisheries Minister he was able to make some significant advance there, but it will be the case that essentially the more access to the more resource we have the more quota will go to smaller boats and to precisely the sorts of communities that you are understandably concerned to see prosper and benefit.

Q39 **Dr Philippa Whitford:** Indeed I am, because it is in my constituency. The UK has always had the power to reform quotas, so why did the Government never in the past look at reforming the quota and allocating it to areas? On the west coast where I am, a lot of the quota ended up being bought up by the north east of Scotland, and all of our fishing industry is basically shellfish.

Michael Gove: I would say two things. The first thing is that Richard Benyon did establish that you can reallocate quota, and quota has been reallocated in certain circumstances. There is more that we can do; you are absolutely right. I would not want for a moment to take away from the success of the fisheries sector in the north east, and also the additional potential for growth that exists as a result of our departure. The Scottish Government have produced helpful economic modelling. I mentioned to the Chairman earlier that not all economic modelling is necessarily an accurate predictor of what will happen in the future, but the Scottish Government have indicated that there will be additional jobs and income as a result of leaving the CFP.

Q40 **Dr Philippa Whitford:** I do not begrudge any success to the north east, but you must recognise that on the west coast and the islands it is the small boat industry that is utterly critical to coastal communities. In my constituency in Ayrshire, looking across at Northern Ireland, we already have boats that are talking about registering in Northern Ireland so they can land there straight in to the single market. Does he recognise what that would do to the on-shore industry of harbours, markets and processors?

Michael Gove: Yes, I do appreciate that. Through the working of the Joint Committee and through the eventual arrangements that we reach with the EU, I am sure we will not be in a position where fishermen on the west coast have to contemplate landing their catch anywhere other than where they land it at the moment.

Q41 **Dr Philippa Whitford:** Obviously the Joint Committee will only be



looking at Northern Ireland, so is he proposing that they may forbid fisherman from elsewhere to re-register their boats?

Michael Gove: No, but I hope that at the conclusion of the talks there will be no reason for people to contemplate making that change.

Q42 **Dr Philippa Whitford:** In the future relationship paper it talks about recognising the interests of the devolved governments in agriculture and fishing, and, particularly in fishing, commits to work with them. Exactly how will that happen? Up until now the devolved governments have felt they have been able to turn up here and be talked at, but that they have not particularly been listened to. What will be different now around fishing?

Michael Gove: Before I did this job I was Defra Secretary, and I inherited a practice whereby in most months the relevant ministers from England, Wales and Scotland—and Northern Ireland ministers now the Northern Ireland executive has been restored—would meet to discuss issues of common interest, particularly with respect to the EU negotiations. There were a number of very useful, practical suggestions that were made at different points by Fergus Ewing, Lesley Griffiths and others. One particular point that Fergus made was about the importance of seeing if we could prioritise fresh fish and shellfish in certain circumstances, and we have explored that. George Eustice did some work on that when he was Minister of State. It may be in the future that we need to do that. It is also the case that partly as a result of the input from the Scottish Government in our talks with the EU and the points that we were making, a recognition was made by the French that they should have a broader inspection process for fish at Boulogne at the fish market, rather than at Calais. That is just one area.

More broadly, Mike Russell on behalf of the Scottish Government has made a number of suggestions about how we can involve devolved administrations in negotiations that have informed our approach. You will appreciate that Mike is a very robust guy and there are aspects of what we are doing with which he profoundly disagrees, but nevertheless it is the case that he lands arguments well and those arguments do weigh with us.

Q43 **Dr Philippa Whitford:** Do you recognise that among the industries themselves, the NFU in Scotland and the fishing representatives, there is great concern about the idea of the overarching frameworks being decided at Westminster for an industry in Scotland that is so different and yet represents the majority of fishing in the UK?

Michael Gove: It is important that we do have common frameworks in order to ensure that the UK's internal market works well, and that we do not, for example, have different animal health rules in Scotland from England. It is also the case that for fisheries protection, for example, the Scottish Government are in charge of the subsidy and the support regime for agriculture. Devolution works but as the UK Government we always



keep the situation and our relationship with the devolved administrations in a way which allows us, if there is a case that the Scottish, Welsh or Northern Irish executive feel that the shoe is pinching too tightly in any particular area, to always be open to try and do what we can to make it work.

Q44 Mr Peter Bone: Mr Gove, I will take you back to the referendum. You were part of Vote Leave along with the current Prime Minister, and did a wonderful job of selling the virtues of coming out of the EU. I was not part of Vote Leave. I had Grassroots Out, and with the Honourable Member for Corby we toured the country, but in the evening there you were on the television screen banging the drum for Brexit, and you succeeded.

We then had the surprise resignation of David Cameron. Of course, he said he would not do it, but he did. Then we had a bit of a messy leadership election for our new Prime Minister, but the Right Honourable Member for Maidenhead became Prime Minister. She said Brexit meant Brexit and we were all happy Brexiteers. There were great speeches. People came here and sat where you are, and told the Brexit Committee wonderful things. The Secretary of State for Exiting the EU, the Right Honourable Member for Haltemprice and Howden told us lots of things, just as you were doing there. We were all happy. People went to Downing Street. We were all engaged and it was great.

Then Chequers came along. The current Prime Minister resigned. The Secretary of State for Exiting the European Union resigned. There had been a secret policy developed in the Cabinet Office completely undermining what everyone thought was going to happen and everything we had been told. Why should I now believe anything you are saying today when that happened in the past? I am not suggesting for one moment that the Prime Minister is planning that, but Brexiteers must be concerned that we have been bitten once and we should not be bitten twice. What can you say to put confidence in people like myself that we are going to deliver that we say we are going to deliver?

Michael Gove: I know that they are speeches, but I would refer you to the two speeches that the Prime Minister gave and that David Frost gave—the Prime Minister at the Painted Hall in Greenwich, and David Frost in Brussels—which lay out very clearly the approach that the Government are taking. I would also refer you to some of the criticisms that have been directed at the Government when the Government have made clear that we will not be part of certain EU institutions. You can say, “Well, I am not convinced yet”. It will be the patient work of the Government over the course of the next few months to seek to reassure you and others that we are putting our words into action. The conclusion that most people would draw is that the Prime Minister is someone who is determined to keep his promises, and we as a Cabinet are determined to support him in making sure that we leave in a way that everyone recognises and places us outside the single market and the customs union.



Q45 **Mr Peter Bone:** Mr Gove, you were a very staunch supporter of the former Prime Minister and her agreement. You said to me in this committee room last year after the current Prime Minister was in power that you would still vote for what we called Mrs May's deal if it came back to the House of Commons. If we get to a stage where the EU is not agreeing to a proper free trade agreement how can I and others be assured that you would actually walk away with what was called in the past with a no deal, rather than actually just getting a deal done on any basis?

Michael Gove: There are two things to say. I was one of the people who believed we should leave at the earliest opportunity, but I also recognised and mentioned to this Committee that the deal that the Prime Minister was on the verge of securing or had secured was better than the one that Theresa had secured. I emphatically think that. During the course of the referendum, and subsequently, I have argued that we should be outside the single market and outside the customs union, but I was prepared during the last Parliament because of the arithmetic to contemplate compromise in order to make sure that we actually left. I understand that people can differ on what the right approach to that deal was

Now we are in the position of having left, the question is whether or not we have an Australia-style or a Canada-style relationship with the EU, and that will depend on what the EU's response is. We have left. The Prime Minister has been very clear that we are not going to extend the transition period. David Frost made the point that on 1 January 2021 when the transition period ends we will have full economic and political sovereignty and why should we wish to surrender that? The course is set and it would be foolish for anyone to imagine that the Prime Minister is not going to stick to that timetable and stick to that commitment. People underestimate him at their peril.

Mr Peter Bone: I am very reassured.

Q46 **Jane Stevenson:** During our current negotiations with the EU, can you see any areas where what we are attempting to agree could negatively affect our flexibility or ability to strike trade deals with other countries in other future negotiations?

Michael Gove: The Prime Minister has been very clear that that should not happen.

Q47 **Jane Stevenson:** Are UK and US teams are liaising over potential areas of potential areas where that could be a problem?

Michael Gove: Absolutely. It will be the case that there will be some sovereign decisions that the UK takes, for example on animal welfare, where the EU thinks, "That is reassuring. That makes it easier for us", and where some in America might say, "That might create an issue". We would be making that decision as a sovereign country. We would be making it because we believed it was right for Britain, not because we were trying to cosy up to one side or the other. It is certainly the case



that the US Trade Representative team understand that. They know that there are certain things which might smooth, and certain things which might slow the conclusion of a free trade agreement, but they understand that we are making these decisions as a sovereign country in our own interests, not because we are trying to butter up anyone else.

Q48 Jane Stevenson: On oven-ready deals, I would just like to say that just because something is in the freezer does not mean it is not oven-ready. I am thinking of the Commonwealth. We have Commonwealth Day this week. Which Commonwealth countries do we potentially have oven-ready deals with?

Michael Gove: It is the case that there is an eagerness on the part of both Australia and New Zealand to conclude trade agreements. I also had the opportunity to meet Catherine McKenna, who is the Infrastructure Minister in the Canadian Government and who was herself a trade lawyer. Canada may take a bit longer than Australia and New Zealand, but it is emphatically the case that there is enthusiasm there. It is also the case that there are opportunities that we have to conclude trade agreements with less developed nations as well, which we hope will be in both our interests.

Q49 Jane Stevenson: Do you see the Commonwealth having a special status in our future or will it be treated the same as other countries?

Michael Gove: There are other countries with which I am sure we can have very fruitful trade relationships, such as Japan, South Korea and others, which are not Commonwealth nations. Commonwealth membership per se does not mean that any country is more or less likely to have a good trading relationship and a good FTA with the UK. There are, of course, other ties that we have with Commonwealth nations. This Committee will be aware of the Five Eyes security relationship and other relationships. The Commonwealth is a very, very precious thing.

Q50 Jane Stevenson: On coronavirus, obviously there are practical issues that are going to come out. Do you think the economic effect over the next year or so will focus the minds of people to wanting more stability, and change the negotiations?

Michael Gove: We are in the relatively early days in assessing what the economic impact of the coronavirus will be. I know that it will be the subject of debate and discussion following on from the Chancellor's Budget. At this stage one of the things that the coronavirus reminds us of is the importance of making sure that we have resilient economies and that those resilient economies make sure that productivity and growth is spread more equally.

Again, one of the other themes of the Chancellor's Budget, which I think is right, is making sure that the fact that our country has had productivity and growth concentrated in London and the south east in recent decades is something that needs to be addressed. One of the things that we need to do is to make sure that the infrastructure is in place and the



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commitment to spreading education excellence is in place, in order to make sure that we can prosper. Coronavirus only reinforces those lessons.

Q51 Jane Stevenson: Finally, do the Government intend to opt in to any EU programmes?

Michael Gove: Yes, but we have been clear that we will not opt in to programmes that requires us to submit to ECJ jurisdiction. It is the case that we want to be part of a number of science programmes, and it is the case that we are open to participation in Erasmus but we need to make sure that we are getting value for money. One of the criticisms that has been mounted at Erasmus is that many of those who have benefitted from it have tended to come from higher socioeconomic brackets. Again, one of the things that we want to make sure is that every penny that we spend on education we spend helping children from every background, particularly the most disadvantaged. It is certainly the case that, on current trajectories, if we can carry on being part of Erasmus we do see benefits in that.

Q52 Dr Rupa Huq: I wanted to press you a bit more on some of these international cooperation arrangements on the other side, and to wish you and everyone happy Science Week. A year ago we had the European Medicines Agency in London, with hundreds of super-qualified scientists working here. We have lost that to Amsterdam. Everyone keeps talking about coronavirus. Is it true that the Government's red lines are going to preclude us from being in the early warning system? Surely with a global pandemic like that it makes sense to share information with our nearest neighbours, but I have heard this rumour that these dogmatic red lines are precluding us from this. Is this right?

Michael Gove: We want to share information with every nation and it is in the nature of collaboration when you deal with a virus like that that it transcends not just national but continental boundaries. The work that was undertaken to look at how we could deal with SARS was work that was conducted on the global scale, and scientific cooperation was conducted on a global scale as well.

Q53 Dr Rupa Huq: So is there scope for us remaining part of the early warning system?

Michael Gove: We will always put the health and the security of British people first and we will look at every instrument on the basis of what it provides for us.

Q54 Dr Rupa Huq: What about REACH, the chemicals regulator?

Michael Gove: One of the problems with REACH is that it involves ECJ jurisdiction.

Q55 Dr Rupa Huq: Is this just the self-imposed red line for the sake of it, though?



Michael Gove: No. it is recognising that we have voted to be a sovereign nation and part of being a sovereign nation means that we cannot have courts and institutions which are not accountable to the British people imposing laws on the British people for which they did not vote, and policed in a way to which they do not consent.

Q56 **Dr Rupa Huq:** Yesterday we had a first rebellion with the oven-baked, new, big majority Government over national security and Huawei. The European Arrest Warrant—surely with terrorism as an everyday thing; we see on the monitor every day the threat level is severe. It would make sense to remain in cooperative arrangements and databases with our nearest neighbours for criminals and terrorists.

Michael Gove: There are a range of tools to which states have access in order to ensure that they keep their people safe. We need to look at them on a case-by-case basis. One of the challenges with the European Arrest Warrant is that, again, it may rely on our participation in institutions that would in some respects undermine our sovereignty. There are real strengths in our ability to fight terrorism by being outside the EU and having more effective border controls.

Q57 **Dr Rupa Huq:** Nigel Mills and I are both co-Chairs of the APPG on Anti-Corruption. Money laundering goes across borders. Does it not make sense to remain in Europol? Is there an agency that we could opt in to after the transition?

Michael Gove: We will look at each of the arrangements that we have on a case-by-case basis, but it is not the case that you necessarily need to submit to EU jurisprudence in order to effectively fight crime.

Q58 **Dr Rupa Huq:** So from all these answers, including your dislike of impact assessments, does that mean that now sovereignty is being prioritised over everything, over medicine and over the economy? Is that the new overriding aim?

Michael Gove: No.

Q59 **Dr Rupa Huq:** It certainly feels like it. When I asked in the Chamber about the equality impact assessment about all of this, where is that? I do not see that anywhere. Is that another type of impact assessment you are not keen on?

Michael Gove: No. Obviously there is a statutory obligation for a legislation to have a equality impact assessment, following on from the Equality Act. The scepticism towards economic impact assessments is that people assume that they are predictions when they are simply forecasts, and forecasts need to be seen in the round. There is sometimes a tendency for people to assume that an economic forecast is a determinative prediction, as though it had the same degree of force—given that this is National Science Week—as a law of physics. Manifestly it does not.



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Q60 **Dr Rupa Huq:** I know your speech “The Facts of Life Say Leave” says why Britain and Europe would be better off afterwards. Part of the argument for leaving was always about vast sums of money. What do you make of the assessment that it is going to have cost £200 billion by the end of this year, which is almost equivalent to what we were paying in for 47 years. Is that money well spent, or is okay because of sovereignty being regained?

Michael Gove: I do not recognise and would contest that figure. It is the case that our departure from the European Union means that we now get back the large sums of money that were automatically debited from the UK bank account to go to the EU, but it is also the case that there are economic and other opportunities for our country to become more prosperous outside.

Q61 **Dr Rupa Huq:** How far along are we with recruiting the 50,000 new customs officers? What will the cost of those be?

Michael Gove: It is the case that rather than customs officers there will be people who work as customs agents, freight forwarders and others who will see new economic opportunities, but of course it is the case that, while Government are supporting the expansion of work in that area, the private sector will be the lead in assessing the degree of engagement that it needs with new customs agents and existing freight forwarders.

Q62 **Nigel Mills:** Mr Gove, can you give me a rough percentage of your confidence of getting a deal? Are you 100% confident you will get a trade deal by the end of the year or is it a bit less than that?

Michael Gove: Odds on.

Q63 **Nigel Mills:** Odds on would be 51%, would it not?

Michael Gove: It would be anything from 51% to 99%.

Q64 **Nigel Mills:** Are you more confident at the end of the first three-week phase than you were at the start of it?

Michael Gove: Yes, and more particularly so is David Frost, our negotiator. The areas where there might be difficulties were well advertised beforehand, but David and the negotiating team reported a good and positive dynamic. I also felt that with the comments that Michel Barnier made after, while of course as Sally-Ann pointed out he repeated some of the particular areas of contention, it was also the case that the tone that he used in public reflected the cordiality in private.

Q65 **Nigel Mills:** While we are on the subject of Mr Frost, presumably you would have no objection to him giving us evidence, given he is making public speeches.

Michael Gove: There are appropriate rules that govern the position of special advisors, but of course if you wanted to ask David or any member of the negotiating team to give evidence I would pass that invitation on.



Q66 **Nigel Mills:** It is interesting because those rules about special advisers generally involve them not making public pronouncements on matters of policy and them not giving instructions to civil servants. Do you report to Mr Frost or does he report to you, or do you both report to the Prime Minister? I am unsure how the structure of this works.

Michael Gove: We both report to the Prime Minister.

Q67 **Nigel Mills:** Earlier on when we were talking about internal security you said you were not entirely confident of having that deal done by the 31st. Was my hearing right at that point?

Michael Gove: There are particular challenges there. I hope that we will. One of the things that your question gives me an opportunity to flag up is that if we are going to have access to the Schengen Information System II then the question is to what extent the EU insists on ECJ jurisprudence, as we have touched on before, governing access to it and its use. That may be a particularly tough sticking point, but I am convinced that given that the EU benefits just as much, if not more, from our cooperation in some of these security and law enforcement tools that we should be able to find a way forward.

Q68 **Nigel Mills:** Are you envisaging some kind of implementation period or transition phase at the end of the year before that new security arrangement is in place, or would we just drop out of everything and then recreate new ones at some later date?

Michael Gove: If we did not have access to the Schengen Information System II database there are many, many other things that we can do and use in order to protect and enhance national security. If it is the case that a new tool or access to an existing tool on new terms arises then we can take advantage of that, but it is important to bear in mind that many of these tools were not in place 10 years ago, or rather the UK did not have access to them 10 years ago. I do not think anyone would say that the government of Gordon Brown in which your Chairman served with such distinction was presiding over an unsafe UK.

Q69 **Nigel Mills:** Just to be clear, at the end of the year in all aspects we will move to the new relationship as agreed or we will leave everything. You are not looking at any transitions or temporary carry-ons.

Michael Gove: No.

Q70 **Nigel Mills:** In terms of the trade deal, there was some suggestion that possibly all that could be done by the end of the year was a relatively quick and dirty zero/zero on goods. We would not be able to get financial services or professional services in which we probably have a bit more interest than the EU. Would you rule out it just being a quick and dirty deal that would leave behind those sectors to come back to at a later date, or is that a possibility?

Michael Gove: We want to have a free trade agreement and we want to make sure that on things like mutual recognition of professional



qualifications and other areas we can cover all those areas of the economy that matter. One of the things that we are doing is saying that there are existing precedents for granting equivalence and existing deals that the EU has done with other nations. As I indicated, we want to take those off-the-shelf arrangements, put them all together, and given that the EU has accepted all of these and they cover the economic waterfront in different ways that should be relatively straightforward.

Q71 Nigel Mills: I get what we want. Are you categorically ruling out that if the EU said, "Oh, it is too hard. It is taking too long. All we can do is a quick and dirty zero/zero on goods, and we will come back to the rest in the future", that would be utterly unacceptable to the Government? Would you would say no deal on that basis?

Michael Gove: No, but for example the question of equivalence of financial services is something that the EU's own internal processes should take care of and we should have reassurance on that during the course of the year, but we want to make sure that we get the best deal possible. Of course, whether or not we get that free trade agreement or not will determine whether or not we end up, as the Prime Minister has pointed out, with a Canada-style or an Australia-style relationship.

Q72 Nigel Mills: As a final one, Article 184 requires both parties to act in good faith. Given we have had six weeks or so of this being in force, do you think either party has breached that yet? Have you suggested to the EU that perhaps some of their negotiating mandate was a breach of good faith? Have they perhaps raised any issues of that with you yet?

Michael Gove: I do not think there has been a breach of good faith, no. There are some negotiating positions from the EU that I or others might think are slightly cheeky, but it is not in bad faith.

Q73 Nigel Mills: We have not suggested that our interpretation of the Northern Ireland Protocol being a little less wide-ranging than theirs would not matter.

Michael Gove: We are committed to making sure that the Northern Ireland Protocol is implemented in order to underpin the Good Friday Agreement. The point is well understood that the Joint Committee is there to ensure that it is implemented and to resolve some of the questions over precisely how.

Q74 Chair: Thank you. Just on that last point, you answered my two original questions about the implementation of the Northern Ireland Protocol by saying that will be a matter for the Joint Committee. Can you just confirm for the record that goods moving from Great Britain to Northern Ireland will be required to complete both import declarations and entry summary declarations? Is that the case?

Michael Gove: I will wait until after the first meeting of the Joint Committee.



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Q75 **Chair:** Why can you not confirm that is the case?

Michael Gove: It would be wrong for me to prejudice the conversations that we will have in the Joint Committee.

Q76 **Chair:** If that is the case, why do those words that I have just put to you appear in the Government's own impact assessment of the Withdrawal Agreement Bill, published on 21 October 2019? Going back to Mr Mills' point, are you saying the Government's interpretation of what the Northern Ireland protocol involves has changed or are you resiling from the words the Government itself put out on 21 October that said, "Goods moving from Great Britain to Northern Ireland will be required to complete both import declarations and entry summary declarations". Which is it?

Michael Gove: Again, I do not want to prejudice the discussions that we are going to have at the Joint Committee.

Q77 **Chair:** If there are any other bits of the impact assessment the Government are not willing to confirm now it would be jolly helpful for the Committee to know. We will write to you about a number of issues, as I indicated at the beginning.

Finally, you told businesses to prepare for regulatory customs checks in January, come what may. I know you are not terribly keen on economic forecasts, which you regard with a certain scepticism, but have you done any assessment of what that is going to cost British businesses? It is not economic speculation; it is working out how much it would cost to fill in a customs form, and the time and effort involved in doing a regulatory check. Have you made any such assessment or do you plan do to so?

Michael Gove: A lot will depend on the nature of the relationship we have, whether or not it will be an Australian or a Canadian-style relationship. You are right that there are certain steps that business should take, no regret steps. As I mentioned earlier, some of the steps a business might take are also opportunities. A business that currently trades only with the EU acquires the means through preparation for being outside the customs union to continue to trade with the EU. That investment is also one which would lead to new trading opportunities elsewhere. If a company invests in increased capacity, if a company makes a capital investment, is that a cost or is that a shrewd repositioning for future economic benefits? That is part of the question.

Q78 **Chair:** But you are not planning to undertake an assessment of the cost.

Michael Gove: We are planning to help business to make that adjustment.

Q79 **Chair:** For themselves, but the Government are not going to do that. We have just stuck within your hour and we look forward to you returning. I am sure we will ask Mr Frost to appear and I am grateful for what you said. Thank you for coming.



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Michael Gove: Thank you very much.