



Select Committee on the European Union

Uncorrected oral evidence: Scrutiny of Brexit Negotiations

Monday 9 September 2019

7.45 pm

[Watch the meeting](#)

Members present: The Earl of Kinnoull (Chairman); Lord Cavendish of Furness; Baroness Couttie; Baroness Hamwee; Lord Jay of Ewelme; Lord Kerr of Kinlochard; Lord Lamont of Lerwick; Baroness Neville-Rolfe; Baroness Primarolo; Lord Ricketts.

Evidence Session No. 1

Heard in Public

Questions 1 – 23

Witness

[I:](#) Rt Hon Michael Gove MP, Chancellor of the Duchy of Lancaster.

USE OF THE TRANSCRIPT

1. This is an uncorrected transcript of evidence taken in public and webcast on www.Parliamentlive.tv.
2. Any public use of, or reference to, the contents should make clear that neither Members nor witnesses have had the opportunity to correct the record. If in doubt as to the propriety of using the transcript, please contact the Clerk of the Committee.
3. Members and witnesses are asked to send corrections to the Clerk of the Committee within 14 days of receipt.

Examination of Witness

Michael Gove MP.

Q1 The Chairman: Good evening. Thank you very much for coming to see us for this public evidence session of the European Union Committee, particularly in view of the marathon you have just had. The usual rules apply: a transcript will be taken and sent to you in due course for any corrections that need to be made. We will try to release you by 9 pm, if that will be all right for you.

Michael Gove MP: Thank you.

The Chairman: Let us go straight in. We have been watching from the sidelines what has just been going on in the House of Commons. I wonder if you have any immediate reactions to what has happened and the Standing Order 24 Motions.

Michael Gove MP: Thank you very much for your forbearance today and your comments on the time.

It is quite right that the Standing Order 24 Motion is granted when there are urgent matters to be addressed, and it is absolutely right that both Houses should be given all the information necessary to do their work of scrutinising the Government. As I mentioned in the House of Commons, my concern with this humble Address was that it had the characteristics of a fishing expedition and that certain people were named in it, many of them distinguished public servants, creating a cloud of suspicion over them.

I was also concerned that the humble Address was not sufficiently tightly drawn for the Government to be able to identify exactly what the House wished to see.

I will briefly make two other points. One is that the principle of a safe space—the idea that civil servants should be able to give candid advice to Ministers—is recognised in the freedom of information legislation, which Governments of every colour have accepted. I feared that this Motion might trespass on that.

The other thing is that there was a request to publish the Yellowhammer documents; I know we will touch on these. I had previously given an undertaking to another Select Committee in the Commons that we would do everything we could to publish those documents. One thing to bear in mind is that those documents are not a prediction of what will happen but a reasonable worst-case scenario, and as such are adjusted over time to take account of changes in how people are preparing for a potential no deal.

The Chairman: That is very helpful. We would be grateful for an additional word on it—one of your famous one-word answers. Will the Government comply legally with what they are asked to do under the Standing Order Motion?

Michael Gove MP: Yes, and the critical word there is “legally”. I have some concerns, although I am not a lawyer, and of course we will take legal advice about what we can do to comply. We will do everything we can to comply, consistent with the law.

Q2 **The Chairman:** Thank you. Let us move to our areas of questioning, which have been cut down a bit so that we can rocket through things.

When you were appointed, one of the first things you did was to write a very interesting article in the *Sunday Times*, in which you said that the Government’s number one priority was no-deal preparation. Can you be a bit more specific about how the Government have actually changed their activity? How have they set themselves up differently? What is different so that the preparations are accelerated?

Michael Gove MP: The Government have changed the wiring of the way in which we prepare for no deal to a way that is designed to supercharge those preparations. Hitherto, a committee, EUXT DPLD, would meet, sometimes fortnightly, sometimes weekly, to review progress in no-deal preparations. A Cabinet committee, XO, now meets daily to make sure that preparations are being accelerated across the whole of government.

The Government are responsible for more than 300 projects, with 700 milestones to measure progress on each of those. At every meeting we now ensure that progress against those milestones and all those programmes is shared with Ministers from every department in order to drive progress at the fastest possible rate.

A range of decisions have been taken to make sure that all businesses that currently export to the EU but do not export outside the EU have in place the customs procedures that they will need to carry on exporting as before. We have also been looking at everything from state aid, to help businesses that may experience temporary turbulence but are fundamentally viable to see through any of the potential impacts of no deal, to maritime security—making sure we have the resources necessary to police our waters—and examining the national security implications of a no-deal Brexit.

I would not want anyone to think there had been any dilatoriness on the part of individual Ministers or civil servants beforehand, but there has been a significant acceleration. Those are just some of the areas in which we have seen a stepping-up of preparations.

The Chairman: That is all very helpful indeed. It would be helpful to hear a little more about the governance of these efforts. You mentioned the XO Cabinet committee, which has 14 standing members and of which you are chairman. There is also the XS Cabinet committee, which has six standing members and of which the Prime Minister is chairman. Will we be told, first, how often the XS committee meets and, secondly, how you split the terms of reference between those two committees?

Michael Gove MP: Yes. XS meets twice weekly, with the Prime Minister chairing. It is principally concerned with looking at strategy for

negotiations with the European Union, both in the run-up to this October Council and hopefully, if we secure a deal, thereafter with respect to any future economic partnership.

XO deals primarily with operational preparations and readiness for Brexit. The Prime Minister has made the point that, while of course we need to be as prepared as possible for departing on 31 October without a deal, should we secure a deal and an implementation period thereafter, many of the preparations we are making now will be relevant and valid, because the Prime Minister is clear that we also want to leave the European Union's single market and customs union.

That means that we will have, we hope, a best-in-class free trade agreement with the EU. As I mentioned earlier, that means companies that currently export to the EU and take advantage of single market provisions will need to be equipped to export to the EU using precisely the procedures I alluded to earlier—EORI numbers and so on.

Q3 The Chairman: That is also very helpful, thank you. I hesitate to move to the word Yellowhammer. There has been quite a lot of talk about Yellowhammer, and it is true that you spoke about it to some extent to our Commons brother committee. I wonder whether you can say when the Yellowhammer stuff will be published, because that was missing from your evidence before. Can you give us a bit more about what scenarios the Yellowhammer that is published will contain?

Michael Gove MP: The Yellowhammer process started under the previous Prime Minister. It is good practice for any Government, when looking at potential eventualities, to consider what a reasonable worst-case scenario might be so that the Government can put steps in place to mitigate the consequences of that reasonable worst case.

As the Committee will know, the Government publish a national risk register looking at everything from the impact on critical national infrastructure of a cyberattack, for example, to how to deal with flooding events and flu pandemics. We do that work—obviously we do not publish all the preparation details, but a summary—to make sure that in these eventualities the Government are ready to help citizens.

The Yellowhammer document is a living document, in that it is based on judgments about the preparedness of businesses for a no-deal exit and the readiness of our transport infrastructure to deal with that. On that basis, certain assumptions are made, then validated by the Office for National Statistics, and then we look at the potential risks in that reasonable worst-case scenario.

It is based on an assumption that we would be outside the European Union as a third country, and it takes into account some of the steps that the European Union has taken on a unilateral and time-limited basis to soften what it might see as the potential impact of no deal.

It is our intention to publish the revised and up-to-date Yellowhammer assumptions, shorn of any national security details, in the next week or

two. Alongside that, we want to publish a paper outlining the mitigations which the Government have put in place so that not only can people look at a reasonable worst case but they can hold the Government to account over the speed at which we are putting mitigations in place and the appropriateness of those mitigations.

The Chairman: That is very helpful and interesting, thank you. I will ask my colleague Lord Kerr to take up the baton from there.

Q4 Lord Kerr of Kinlochard: Thank you very much for coming here straight from the hurly-burly of the vote in the Commons. You said that every penny needed for no-deal preparations had been made available. Can you tell us how much financial resource has been made available and how much physical resource—how many people—you have working?

Michael Gove MP: Overall, under the previous Government, just over £4 billion was made available. Another £2 billion has been made available by the Chancellor of the Exchequer, £1 billion of which is being spent on helping government departments to prepare.

The other money is being used to help business organisations and others to prepare. In the region of 1,700 civil servants across Whitehall are now working on the implications of EU exit. As I mentioned earlier, some of those individuals and some of that work will be required in any case if, as the Government intend, we leave and then move on to get a “Canada dry” free trade agreement.

Lord Kerr of Kinlochard: How many in all?

Michael Gove MP: One thousand seven hundred.

Lord Kerr of Kinlochard: In her resignation letter, Amber Rudd said that the Government were expending a lot of energy in preparing for no deal, but that she had not seen the same level of intensity in their talks with the EU. We read in the press that the Robbins team of 50-odd public servants in the negotiating team has been cut down to four. Is that right?

Michael Gove MP: Not quite. The first thing to say is that Olly Robbins did a very good job for the Government. He is a very distinguished public servant. I am a huge fan of his and I want to put that on the record. The European Union team in the Cabinet Office that he assembled comprised first-class public servants. Under clear political direction, everything that we did was—I hesitate to say at the behest of—totally in tune with Ministers. I want to stress how important their work was and how distinguished the service of Olly and his team was.

Responsibility for no-deal planning, which was principally within DExEU, now lies principally with the Cabinet Office with the help of DExEU, but a number of civil servants in DExEU and the Foreign Office are also helping David Frost, Steve Barclay and Dominic Raab with the process of negotiations with the EU. You will know better than me that, as well as the negotiations undertaken with the Commission, which David Frost leads on for the Government and Stephanie Riso leads on for the

Commission, there are contacts between Steve Barclay and Michel Barnier at that level. Steve and Dominic Raab have been visiting European capitals to talk to others.

Even though I am not principally involved in the negotiations, I had the chance on Friday and Saturday to have an extensive conversation with Simon Coveney in order better to understand the position of the Irish Government and how we can advance a deal.

Lord Kerr of Kinlochard: Do you have any contact with anybody in Brussels?

Michael Gove MP: No. As much as possible, I try to restrict myself to preparations for a no-deal Brexit or indeed, if we secure a deal, to everything that we need. The work on negotiations is being carried out principally by the Prime Minister; the Foreign Secretary; the Prime Minister's Sherpa, David Frost; and the Brexit Secretary, with appropriate support from civil servants.

I am supportive of the negotiating strategy. I have the privilege of sitting on the XS committee, but I am not directly involved in contacts with counterparts in Brussels or other member states.

Lord Kerr of Kinlochard: So you yourself—this is realistic and right, I think—do not see mitigation of no deal by a process of immediate mini-deals.

Michael Gove MP: It is fair to say that there are two things. First, the European Union has put in place some time-limited and unilateral steps that will mitigate the impact of no deal. We have not requested them, although of course the Commission will understand what works in both our interests.

Secondly, were we to move towards a no-deal outcome—here I am speculating—I am strongly convinced that the Commission and other member states would put additional mitigations in place, and they would want to do so in conversation with us. However, at the moment the Commission's position, entirely understandably, is that we do not want to get into that because, the Commission believes, we do not want to prejudice the chance of progress in securing a deal at the October Council.

Q5 **Lord Kerr of Kinlochard:** I think I should ask you about the public information campaign. What is the purpose of the campaign, and what criteria will you have to judge whether it has succeeded?

Michael Gove MP: The purpose of the campaign is to make sure that everyone who can make preparations does so. The Government can do a great deal, but third parties—those who run businesses and individual citizens—can also help us to prepare better as a country.

The purpose of the campaign is to alert people to the fact that we are leaving on 31 October. It might surprise this Committee—it certainly

surprised me—that research of opinion shows that a significant number of people were unaware of that date or did not believe that we would leave on that date.

More than that, the information is there for—for the sake of argument—someone who is taking their pet abroad so that they know what steps are needed to take their dog or cat with them. I was struck by the fact that 10% of journeys by British citizens via Eurotunnel are accompanied by a pet.

Therefore, the campaign is important on one level, but there are also much bigger questions. We need to make sure that, in leaving, all businesses have the documentation that they need.

The criteria for the campaign are to be strictly factual, to alert people to the change and to provide them with the information that they need in order to prepare. There are metrics. To take an example, we know how many businesses have applied for what are called “transitional simplified procedures”. These enable them to defer paying duties such as VAT for a period in order to allow goods to flow.

Lord Lamont of Lerwick: I, too, thank you for coming here this evening. It is a very impressive thing to do.

You said that you had no contact with Brussels or other countries. Do you have contact with people on the other side of the channel who are making preparations for no deal? I wonder in particular whether you have been in touch with the port chief at Boulogne and Calais, Mr Puissesseau, who has said that he thinks that the talk of delays and the amount of traffic has been very exaggerated and is being whipped up by people with an interest in this.

Michael Gove MP: Yes. I visited Calais just over a week ago. I had a chance to see a number of politicians and others involved in managing the port of Calais. I saw Xavi Bertrand, who is the president of the region—in effect, the principal elected local politician in the Hauts-de-France region. I also had an opportunity to speak with the Minister, Mr Darmanin, who is responsible for customs.

They both made the point to me that they want to be as pragmatic as possible. Without talking out of turn, Xavi Bertrand said, “The day after you leave, even with no deal, the British will not become extra-terrestrials. You will be practising the same laws and observing the same practices the day after as you did the day before, so we should take a pragmatic approach”. The Minister underlined that.

There has been investment in Calais to ensure that exporters who are compliant with customs procedures experience no delay. It is also the case that a specific lane has been allocated for fish and shellfish products so that they can go straight to Boulogne. Thus, fish caught in Peterhead on a Tuesday morning can be sold in Boulogne on a Wednesday morning.

The one thing that I have to mention is that, were lorries to arrive at Calais without appropriate documentation, they might be subject to delay, and that is one reason why we are so anxious to ensure that hauliers and businesses have that documentation.

Q6 **Baroness Hamwee:** We are all saying the same thing, which is to thank you for coming.

We wanted to ask about risks and mitigations. I include in that the cost of dealing with the risks and mitigations. Your letter, which arrived just before you and for which we thank you, talks in general terms about the need for a national effort and action from third parties, but of course we want to be rather more specific.

We have four topics in particular: cross-channel transport disruption, immigration checks, medical supplies and fresh foods. If I may, Chairman, I will hand over to Lord Ricketts in a moment to ask about the cross-channel points.

But perhaps I may ask a more general question about preparations for the involvement of the police. One can see that, even if it is just a matter of controlling the traffic going into Dover, which is a relatively minor point, or dealing with protests because of problems with fresh food, we are talking about police numbers—the extra police who the last Home Secretary announced would be recruited will not have been recruited by the end of October—and the costs of all that. Were those costs included in the answers that you have already given?

Michael Gove MP: First, even before our new Prime Minister was in place, the National Police Chiefs' Council had taken steps to ensure that we had a strengthened capacity across the UK to deal with international crime and was anticipating what some of those risks might be. We have also said to local resilience fora, which more or less map with government areas and which are normally chaired by a gold commander from either the fire service or the police, that we wish to give them the additional resources they need.

The local resilience forum with the toughest task is Kent, for the reasons that we will all be familiar with. Later this week, I hope that the assistant chief constable responsible for dealing with those issues, along with a variety of other people in Kent, will attend the XO committee to let us know exactly what they need in order to be in the best possible position to manage flow.

Baroness Hamwee: You will understand that the worry is that simply not enough police officers will be available, although of course they can be brought in from other police forces. Recently, for example, we have been very aware of the number of police around here and thinking that that must be stretching the Met hugely.

Michael Gove MP: You are absolutely right to raise that. The police do an amazing job for us all and there are a number of scenarios in the event of a worst-case outcome where police resources would be called

on. One thing we may touch on, and which gives me an opportunity to say this, is that the Police Service of Northern Ireland, which I had the privilege of talking to two or three weeks ago, is very conscious of the fact that there may be additional strains on its officers, who do so much to keep us safe.

The Committee mentioned four areas. Again, in the spirit of candour, we in government have identified eight areas that we think are of particular concern, and they overlap to a significant extent. The first is flow; maintaining a fluid border. Within that is a subset of issues that are the readiness of business, in that the more ready business is, the more the flow is reduced. Then there is a set of issues around animals and products of animal origin. They face additional checks when they go to the European Union, because in essence they are food.

Another issue is people. Obviously, we are very concerned not only about EU citizens in the UK but UK citizens and nationals in the EU. Then there are four others. The first is security overall. If we leave the European Union without a deal, there are some elements of security co-operation out of which we will fall: Northern Ireland overall, for the reasons that we may go into; the economy, because we need to be ready to recognise that there will be an impact on some areas of the economy that is greater than on others; and data—the Commission has said that we are unlikely to be granted data adequacy immediately after a no-deal exit. While there are steps that individual businesses can take, obviously we want to make sure that we have an adequate rating in place as soon as possible.

Baroness Hamwee: I have heard you say that if Jersey and Guernsey can do it, we should be able to.

In the interests of time, perhaps I may move straight on to Lord Ricketts.

Q7 Lord Ricketts: That is a pretty formidable list. I come back to travel disruption and trade disruption. Readers of the *Daily Mail* on 3 September saw a version of the *Yellowhammer* report, as I suppose it was then, which said that, on day one, 40% to 70% of HGVs travelling via the channel may not be ready for French customs. That could reduce the flow rate to 40% to 65% of current levels—that is, by around half—with maximum queues in Kent of around 8,500 HGVs.

How can disruption on that scale not lead to serious problems in the supply chain for food and medicines? As you will remember, I lived, as ambassador, through the much briefer disruption with migrants and the strike by French seamen in 2015. Within 12 hours there were 20-mile queues on both sides of the channel. This kind of disruption, even if this number of small businesses are not ready for customs checks, will surely lead to disruption in food and medicine.

Michael Gove MP: There are three things to say. First, that is a reasonable worst-case scenario. Secondly, we are taking steps to ensure that businesses are better prepared and that hauliers who may not have the necessary documentation do not make it to Kent, as it were, so that

we triage the flow of traffic into Kent. Thirdly, with particular reference to medicine, we are procuring additional maritime and air freight capacity in order to make sure that vital medicines and vital medical products are available.

In the worst-case scenario, it is acknowledged that, for particular foodstuffs at particular times, there may be a diminution in the current level of supply, but overall there will be a good supply of a wide range of foods in all our shops and supermarkets. The impact will be primarily on the price of some products, but for a variety of reasons, including lower tariffs in some areas, some food prices in some areas should also fall.

Lord Ricketts: If you have lorries stuck for two days in each direction in massive queues, it will be very difficult to deal with the urgent human costs of that as well.

Michael Gove MP: That is a very fair point. I should stress that that is the absolute worst-case scenario. We are attempting to make sure that we triage and prevent lorries that do not have documentation even getting into Kent, never mind Dover.

The aim is precisely to avert the scenario that you mention. Again, I hesitate to make this point to a former National Security Adviser, but I know you appreciate that, having identified the risk, we can seek to mitigate it. That does not necessarily mean that we can reduce it to zero, but obviously when you are dealing with a reasonable worst-case scenario, you do not want people to indulge in euphemism or downplay it. You want to look at some of the potentially bleak consequences and ask, "Okay. How can we ensure that this does not happen?"

Q8 **Lord Ricketts:** One last word on flow in relation to immigration checks. Again, given the flow through St Pancras, or Dover, or the Eurotunnel, any additional delay for immigration checks will surely lead to large queues. St Pancras station, the Gare du Nord and the Gare du Midi are not set up for elaborate immigration checks. They were designed on the basis of juxtaposed controls, which would be very fluid. Are we going to see enormous queues of people getting on to Eurostar and Eurotunnel?

Michael Gove MP: I do not believe so. To be fair to the French authorities, they have said that they will take a pragmatic and flexible approach initially. The requirement to wet-stamp passports, for example, is one that they will not insist on. On the first day or two, either at St Pancras or at Cheriton, there could be more disruption than normal, but Eurotunnel, the port of Calais and others have made it clear that they will do everything possible to facilitate people going to the EU. We in turn have said that we will not impose any new checks.

One thing that has been explained by the Home Secretary is that we will tell EU citizens coming here that of course they will continue to have the right to come here, but if, after 31 October, they have a conviction beyond a certain period—i.e. a jail sentence of more than 12 months that is not spent—and they do not declare it at the time they come in, they

may subsequently be liable for deportation. That is a tightening, but it is not a restriction at the border; it is a requirement to declare.

- Q9 **Baroness Hamwee:** Have you made any assessment of the impact on food prices? It also struck me that your eight items did not include fuel and the possibilities of its supply. Perhaps you can say something about those two issues.

Michael Gove MP: The thing about the impact on food prices is that there are so many variables. For example, the extent to which the currency depreciates will have an impact on food prices. Also, the market being the market, some people will look for workarounds and seek, as it were, to make sure that their rivals, who may be bearing certain costs, can be undercut.

You cannot take a hard-and-fast position, but I do think there is a risk that the price of some commodities will increase while that of others will fall. I would be wary of saying anything about what the overall impact on the consumer's basket would be. A particular issue was raised with respect to fuel and our refineries. We have six refineries that act as major fuel distribution centres. I am confident that we can make sure that fuel continues to come to those refineries and is distributed effectively. We are a net exporter of fuel. The fuel that we refine here we export to both the US and the EU. The principal risk might be if there were industrial action. Of course, we would want to do everything we can, working with those in the refineries, to prevent that happening.

- Q10 **Lord Cavendish of Furness:** I, too, am grateful for the opportunity to put a question. It is about the SME sector. I declare an interest, as it is a sector to which I belong.

Some months ago, the Financial Affairs Sub-Committee, a sub-committee of this Committee, visited the Bank of England. The Governor appeared reasonably relaxed about the readiness of business in general, but made the point that the SME sector was very unready. I would like your comments to update us on that.

Michael Gove MP: I think the Governor is right. There is a spectrum. Thanks to the Governor, and both the current and immediately preceding Chancellor, the financial services sector is very well prepared. A number of companies—for example, Next plc—are very well prepared, but smaller businesses, as a general rule, tend to be less prepared. That is one of the reasons why, through HMRC, we have been contacting them to make sure that they know what is required to continue to export into the EU.

Again, one of my biggest concerns is that not enough SMEs will take all the steps required. That is why we are spending the money we are spending to give them the information they need.

- Q11 **Lord Lamont of Lerwick:** I want to go back to the question on the supply of food and the line of questioning by Lord Ricketts, just to be absolutely clear. Two weeks ago, you said that there will be no shortages of fresh food.

The British Retail Consortium then put out a statement saying: "It is categorically untrue that the supply of fresh food will be unaffected under a no-deal Brexit". You were asked about this by Mr Benn when you appeared in front of a Select Committee in the House of Commons. The distinction you tried to make was that, when people talk about shortages, they imagine empty shelves.

You went on to say that you did not think that would happen; it would not be similar to an extreme weather situation. There might, you said, be an impact on prices, shelf-life or availability, but there would not be empty shelves. Is that the position?

Michael Gove MP: Yes. We will not be in the position of—as one member of the Committee said—a Cuban supermarket or a non-dom Soviet retail outlet.

Again, it is always difficult. As a former journalist, I know how words can sometimes be taken out of context. On the very first day I studied economics at school, the teacher said that economics is the study of scarcity: we do not have the resources, so the price mechanism is a way of allocating scarce resources. So if I say that food is scarce, in common parlance most people would think that means that we go without. You are absolutely right in your characterisation, and the BRC is right, that there may be disruption to some supplies that lead prices to go up, but the idea of empty shelves and people going without is not fair.

Lord Kerr of Kinlochard: On medicines, it is difficult to see the same argument apply. If you need a particular drug to control, say, epilepsy, and that drug is not available, it is no use if drugs for some other condition are available. How confident are you that for people with, say, epilepsy, the drugs they need, none of which are manufactured in this country, will be available?

Michael Gove MP: I am very confident. There are several reasons for that. Following on from my response to the question earlier, many drugs come through the short straits, but we are also procuring new maritime freight capacity, and we will have an air bridge. The maritime freight capacity will be for category 1 goods: human medicines and vet medicines. We will also, if necessary, be routing quite a lot of medicine through to Portsmouth.

There is a provision whereby, if I am given a prescription by my doctor and I go to the pharmacist, the pharmacist must give me the exact prescription for that particular drug, even though there may be other medicines that can also help. We are exploring with the NHS and pharmacists the ability, if necessary, for the pharmacist to say, "You don't need this precise prescription. There's a generic drug I can give you which will have the same effect".

That does not apply in a variety of cases, but these are all flexibilities which the Health Secretary and his team have explored to try to obviate the risks that you mention.

Q12 **Baroness Couttie:** Building on questions asked by Lord Kerr and Baroness Hamwee, I understand from what you have said and what I have read that the UK Government are trying to ensure that the Government, businesses and residents are all as prepared as they can be for a no-deal exit on 31 October.

I am interested in what possible side-deals or bilateral agreements you may have had with EU counterparts in areas of your eight concerns. You have talked about your unofficial agreement with Calais. That all sounds very pragmatic and sensible, but I am slightly concerned that that might be time-limited. Whilst we might be okay on 31 October, as we go into tricky negotiations with the EU, any unofficial agreements may not pass the test of time and we would then go back to having issues.

Michael Gove MP: That is a very fair point. We have in some cases had bilateral negotiations, or bilateral arrangements, with member states on financial services, and with almost every member state with respect to UK nationals in those member states.

There is a spectrum. The Spanish Government are among the more generous. At this stage, the Austrian Government are slightly more restrictive in the process by which UK nationals can have their rights respected.

We have asked about, and our diplomats are working incredibly hard to secure, agreement from member states about a level playing field for all UK nationals. With respect to Calais and arrangements in France and so on, you are right that the Commission has said that these are unilateral and time-limited. In a way—I think this is sensible—it seeks to make sure that businesses in both the UK and the EU can use that time to adjust to the new normal.

The final thing I would like to say is that you are absolutely right that there will be negotiations in the event of a no-deal exit. They will take place under Article 218 rather than Article 50 of the Treaty on the Functioning of the European Union. That raises certain impediments to rapid progress that do not exist under Article 50. But we, and I believe the EU, would be anxious to secure a deal as quickly as possible so that we do not continue to trade with one another purely on WTO terms.

Baroness Couttie: What about other important areas such as security? That, as I understand it, is not covered by any sort of the bilateral or interim agreements, yet it is obviously an area of concern.

Michael Gove MP: Again, in the realm of security—I have to be careful here—the security services of all EU member states, and indeed other non-member states such as Switzerland and Norway, already collaborate. There is a 30-nation group that collaborates on a bilateral or multilateral level, because national security of that kind is seen strictly as a national competence.

There are some law-enforcement tools, such as systems for exchanging information and passenger name records, to which we would not have

immediate access. That will not put us at a significantly greater risk. These are useful tools to which pragmatically we would want to continue to have access in the event of exit by whatever means.

The Chairman: That is an interesting segue to a slightly out-of-order question. As the issue of security has now arisen, I will ask Lord Jay to put his question.

Q13 **Lord Jay of Ewelme:** Thank you. I want to touch on the question of internal security. Questions of police co-operation, judicial co-operation, exchange of police information by data and so on are hugely important, as you well know from your time as Justice Secretary and as the police have been constantly telling us.

First, can you say why that was not included in the areas of significant national interest on which we would take part in European Council meetings? Are we not going to take part in any European Council or other meetings covering these areas? It seems extraordinary if that is the case.

Michael Gove MP: We will take part in European Council meetings on a case-by-case basis. We will do so to ensure that the interests of UK citizens are protected and that, where possible, we collaborate in the way we want to do.

I do not want to make any criticism of the Commission more broadly, but we have, for example, said that we would like to continue to have access to passenger name records. We think it would be in the interests of all. The Commission is saying, "No, not at the moment". There are perfectly coherent internal reasons for that, but we want to provide the greatest level of security co-operation with EU member states, and, as I mentioned earlier, in many, many of the areas, pragmatic co-operation on a bilateral or multilateral basis will continue.

Lord Jay of Ewelme: I am not talking so much about the European Council meetings but COREPER and other meetings. These issues are hugely important to us. Are we not going to be missing an enormous opportunity to get our points across and to understand what is going on simply by not being there? Is it really a sensible policy?

Michael Gove MP: Again, one of the things about the evolution of justice and home affairs is that it has moved from being purely intergovernmental originally to becoming increasingly federalised in the history of the European Union. There have been judgments either way about the costs and benefits of that.

My analysis is that we will continue to be in a variety of fora where we can exchange information and discuss policy relating to security. As I said, my particular concern is that there are some specific existing law-enforcement tools to which we would not have access. While this is an obstacle to the efficient working of our respective criminal justice systems, we will continue to be involved in and benefit from most of the things that matter.

Lord Jay of Ewelme: I have one last question. We got a letter from you

just before this meeting, in which you say that there will be a reduction in mutual operational capability in the event of no deal. So do you accept that we will end up in a worse position than we otherwise would have in so far as the security of our people is concerned?

Michael Gove MP: Not quite. There are a few things to say. First, we will no longer be able to take advantage of the European arrest warrant. Again, there are arguments either way on that. There are three other areas. First, we will no longer be a participant in Europol. Secondly, we will no longer have access to the Schengen Information System. Thirdly, we will no longer have access to passenger name records. Taking the third of those as an example—

Lord Jay of Ewelme: What about the first, Europol? If we are not a member of Europol, that really will be serious—or so the police tell us.

Michael Gove MP: Again, there are different views among security professionals. With your permission, Lord Chairman, I will write to the Committee to lay out some of the pros and cons—there are cons—of Europol membership in security terms. I would want to check with professional colleagues before saying too much about that at this stage.

Lord Jay of Ewelme: I understand.

Michael Gove MP: There are understandable concerns, which some officers have expressed, about no longer being a member of Europol. I will say two things, for the benefit of the Committee and others. People might think that lack of access to passenger name records means that we would not know who is coming into this country, but that is not the case. We would know, absolutely; flight manifests would let us know. If Mr Smith was a subject of interest and of concern to us, we would know if he came into this country.

Passenger name records mean that the flights of people who are not yet subjects of interest but who behave in a suspicious manner will show up through data analytics. Suddenly someone who had not hitherto been a subject of interest becomes one. So there is a diminution in the richness of data available, but we will continue to have the information we need about those who are a genuine threat to us.

More broadly, I have talked to Border Force personnel—both front line and more senior officers—and they have told me that there are some security advantages to being outside the European Union. This affects the data they can gather and the way they can deal with human trafficking, drug smuggling and other issues. It is not a slam dunk either way, but I happily acknowledge that if we had access to most, if not all, of these tools, we would be in a better position.

The Chairman: Before I turn to Lord Ricketts—I know that, as a former National Security Adviser, he will have various questions—we would very much appreciate you writing to us on that. Would it be possible to expand it a little to talk about all the various services—including ECRIS, for

instance—and their plusses and minuses? That would be very interesting for us. We have published a report on this area.

Michael Gove MP: Having been at the Ministry of Justice, I can say that ECRIS is a help, but it is a tool of variable quality, because different countries have different criminal records systems. It is also primarily a justice, not a law-enforcement, tool.

The Chairman: It would be very helpful to have that written down. We will not eat into our time now any more.

Lord Ricketts: I have just one more follow-up on that. There is a range of European tools; you mentioned some of them, including Europol. However, there are also the databases, the fingerprint and DNA databases and the Schengen Information System, which the police told us they consulted 539 million times in 2017. We will fall out of all of them, not for technical fussy reasons but because they are based on legal instruments and only EU member states can be part of them.

There are various ways in which third parties and countries can have access, but all those agreements have taken years of negotiations and are very variable. I put it to you that you are rather understating the impact on the security of the country and our citizens of falling out of all these co-operations. It means that police work will be slower and more expensive, and we will have access to less data than we do now. Is that unfair?

Michael Gove MP: I do not think it is unfair. It will have to be a matter of judgment and opinion. I will share some of the assessments that have been made. As I say, I will write to the Committee. You will see that there are some aspects that would perhaps not be appropriate for publication, but I can discuss with the Committee what it is fair to have in the public domain and what might appropriately be redacted. I completely understand your concerns and do not dismiss them for a second. I do not think the situation is quite as bleak as some have painted it, but there are issues of concern.

The Chairman: I am most grateful. We will move on.

Q14 **Baroness Neville-Rolfe:** Secretary of State, thank you for coming on such a busy day and for sending us that very helpful letter. I have just three brief follow-on questions on the legislation that we will need for no deal.

First, what will happen to the pieces of legislation that are currently before either House? There are, for example, the things that most of us have helped with, such as the Trade Bill. Secondly, what update can you give us specifically on the Government's preparations for the environmental standards that will apply, which I know is a cause close to your heart? Thirdly, what SIs are still needed? You hinted in the letter that there might be one or two.

Michael Gove MP: During a prorogation, negotiations go on through the usual channels about whether Bills that have not completed all their Commons stages, such as the Fisheries Bill, the Agriculture Bill, the Trade Bill, can be carryover Bills. That process is in being at the moment.

For environmental standards, we published some draft clauses for the environment Bill that deal particularly with environmental standards. An environment Bill will be at the heart of any new Queen's Speech.

There are a small number of SIs. Some are keeping pace. European law changes, so we need to update the SIs. Some important SIs have not yet been laid, on tariffs and state aid for example. The policy is broadly clear, but it is important that a new Government have an opportunity through their own write-round procedures to make sure that every new Minister is happy with the decisions that have been taken.

Baroness Neville-Rolfe: We will come on to tariffs. Could this lead to a gap? They are mostly affirmative resolution SIs.

Michael Gove MP: I do not believe so. One of the purposes of the XO committee is to seek to avoid a gap wherever possible. There may be an air gap of a day or two in one or two areas, but we are doing everything possible to make sure that the statute book is totally fit for purpose.

The Chairman: That is very helpful indeed. We will move on to tariffs.

Q15 **Lord Lamont of Lerwick:** The Government have published a set of temporary tariff schedules that will apply in the event of no deal. I have two questions. First, will we be ready by 31 October to meet all WTO obligations in the event of no deal? Secondly, I understand the temporary tariff regime is for 12 months. Why 12? Would not six be better? I say that, because if we apply these new tariffs, which are lower on average than the common external tariff, there is no incentive for a country such as Canada to sign a trade deal with Britain. Canada would be better off under the temporary tariff regime than it might be under a trade agreement, so surely that would be a bit of an own goal.

Michael Gove MP: First, we should be ready to fulfil all our WTO obligations. The second point is very fair. There is a live debate. There is an initial debate about the tariff schedule itself and the balance between safeguarding the consumer and making sure that some of our most vulnerable sectors, particularly agriculture, are appropriately protected.

As you quite rightly pointed out, there is another balance; if people believe that this temporary tariff schedule is likely to become permanent, that removes the incentive to negotiate a free trade agreement. You are absolutely right that Canada is the country in the most determined position at the moment.

It is also the case that businesses have to plan. Our judgment is that 12 months is an appropriate period for businesses to plan for these new tariffs and make their arrangements. Then we will be clear, during that 12-month period, about what our new regime will be. Although I cannot

guarantee it, I think the fact that it will be explicitly temporary will mean that Canada will recognise that there are benefits in negotiating a free trade agreement during that 12-month period, rather than simply sticking to the hope that we will maintain a regime that is explicitly temporary.

Lord Kerr of Kinlochard: On the general line of your point, Chancellor—the need for businesses to plan—the tariff proposals or plans that are on the table were tabled in March. Are these the operative ones that would apply from the end of next month, or will you produce different ones?

Michael Gove MP: They will broadly be very much the same, but we have reviewed all of them and there will be small alterations in one or two areas.

Lord Kerr of Kinlochard: Do businesses know in which areas you are planning alterations?

Michael Gove MP: We hope to publish the revised tariff schedule in the next week or two.

Lord Kerr of Kinlochard: In the next week or two? So you will give businesses four or five weeks.

Michael Gove MP: I am keen for them to be published as soon as possible, I assure you.

Lord Kerr of Kinlochard: I think you are right.

The Chairman: Thank you very much. We could spend a long time on tariffs, I suspect, but we move on to Northern Ireland.

Q16 **Baroness Couttie:** I am concerned that there appears to be, erroneously, both north and south of the border in Ireland, a belief that Britain wants to put a hard border back there. Obviously, this leads to great concerns about security, civil unrest and possibly even a return to violence. What are we doing not just about increasing the security forces and police there to try to prevent that but about a communications plan—again, both north and south of the border—to make it clear what both the previous Prime Minister Theresa May and Boris Johnson have said, which is that in no circumstances does Britain want a hard border?

Michael Gove MP: You give me another opportunity to repeat that point. UK Government policy is that we will not have any infrastructure at the border. The only checks will be at Belfast Airport for a very limited number of imports, and they all relate to our international law obligations, such as under the Convention on International Trade in Endangered Species and the Kimberley process governing diamonds, which we need to respect. Those areas are tiny and specific.

Apart from that, there will be no restriction on the flow of goods into Northern Ireland from the Republic of Ireland. That is because of our commitment to the Belfast/Good Friday agreement. That imposes some challenges on producers in Northern Ireland, not least because at the

moment the Republic of Ireland is under an obligation under EU law to impose the common external tariff on exports from Northern Ireland entering Ireland.

If there are products of animal origin, they will need to be checked at a border inspection post. The Irish Government, to be fair, have said in the past week that any checks that they will undertake will be as far away from the border as possible.

It has also not yet been confirmed that the Commission has given the Irish Government and others an understanding that it will not impose an absolute requirement on the Irish Government for all the checks that might otherwise be required instantly. Obviously, we will know more as we get closer to 31 October, but the concerns that you mentioned, which have been expressed by many others, should not materialise. That is not to say that there are not challenges in Northern Ireland.

Baroness Couttie: I understand that all that is going ahead. That is all great, and it is exactly as it should be. My concern is that that message is not getting down to the general public. If we get there, if there is civil unrest and violence—God forbid—it will be the public who will need to understand that Britain is not imposing a hard border.

Michael Gove MP: Completely. We do communicate that. The only other point that I would make is that the people who have an interest in causing unrest in Northern Ireland are a very, very small group of dissident republicans. In a way, they have no faith in the British Government at all. It does not matter who the Prime Minister happens to be; they do not have faith in the very nature of UK jurisdiction in Northern Ireland. You are absolutely right: we can reassure as many people as possible about our bona fides, but a small group of people will never take us at our word.

Baroness Couttie: I agree, but sympathy for that tiny group is driven by perceptions of the British and British behaviour.

Michael Gove MP: You are absolutely right.

Baroness Couttie: So it is very, very important that, more broadly, the populace of Ireland understands that Britain is not imposing a hard border.

Michael Gove MP: Yes.

Baroness Couttie: Can you talk a bit about your discussions with Simon Coveney this week?

Michael Gove MP: They were private meetings. He very kindly invited me to lunch at the Irish embassy. We both then spoke at the British Irish Association; I think his speech is on the Irish Government's website. We had a number of conversations there.

He is a very open, friendly and impressive politician. We both agreed that it would be far better for us to secure a deal. We discussed some of the things that might be required to advance that, but I am not the lead in those negotiations; I just had the opportunity to accept his kind invitation and, because I was at the same event, to have that conversation with him. The principal people talking to the Tánaiste are the Foreign Secretary and the Brexit Secretary. Of course, the Prime Minister also saw the Taoiseach today, and, by all accounts, even though there is still some work to do, it was a warm and productive meeting.

Baroness Couttie: So we can look forward to and hope for some sort of solution to the Northern Ireland question?

Michael Gove MP: I absolutely hope so. There is nothing other than good will in the Irish Government. They have a clear analysis of what is required, which is quite rigorous, so us getting the right deal will require a bit of movement on both sides.

The Chairman: Thank you very much for that. We move to Baroness Primarolo's question.

Q17 **Baroness Primarolo:** Good evening, Chancellor. Would you explain to us your understanding of the impact on no deal on Gibraltar?

Michael Gove MP: Yes. There could be some specific impacts on both food supplied to and the disposal of waste from Gibraltar. Our understanding is that the Government of Gibraltar are well prepared and that at the moment the Spanish Government, with the socialist Prime Minister still in place, have agreed pragmatically on many of the steps that might be needed to ensure that everything that Gibraltar needs can continue to be imported and exported, as things stand.

Baroness Primarolo: My understanding, Chancellor, is that Gibraltar is massively dependent on imports by land through Spain. Without a deal, Gibraltar will be outside the single market and, with no transition, will be massively under pressure. How do the Government expect Gibraltar to cope with that scenario?

Michael Gove MP: The Chief Minister of Gibraltar, Fabian Picardo, has said that he believes that the Gibraltar Government are well prepared for all eventualities. I look forward to seeing Chief Minister Picardo shortly.

Baroness Primarolo: Including no deal?

Michael Gove MP: Exactly, yes. It is no secret to us—indeed, it is obvious—that the overwhelming majority of people in Gibraltar voted to remain in the European Union, but the Government of Gibraltar have been very pragmatic and thoughtful in their preparations. As I say, one can anticipate what the risks might be, but the Government of Gibraltar are confident that the steps that they have taken should see Gibraltar continue to flourish.

Baroness Primarolo: Could you give us more information about the

status of the various agreements between Gibraltar and Spain that you mentioned and how they will be managed through no deal, as opposed to a deal?

Michael Gove MP: I know that at different points the Gibraltar Government, the Spanish Government and others have talked. Again, both Governments want a pragmatic approach when it comes to managing that border. There have certainly been cases in the past where some Spanish politicians have not necessarily taken a pragmatic line, but the current Government of Spain are intent on doing so.

Q18 **Baroness Primarolo:** Thank you very much for that, Chancellor. I turn to the Falkland Islands, which will find themselves, with no deal, outside the single market and customs union. What preparations have been made there, given the massive dependency of the Falkland Islands on exports to Europe?

Michael Gove MP: I think the Falkland Islands export squid in some quantity.

There should not be any impediment to Falkland Island squid finding its way into the European market. I cannot remember it off the top of my head, but one of the things about the common external tariff is that, when it comes to fish and shellfish, in essence the less mucked about with it is, the lower the common external tariff, so I do not think that that will be a particular issue.

Baroness Primarolo: That was not the view of the Council of the Falkland Islands. Have they changed their mind, given the massive dependency on the income from that particular industry?

Michael Gove MP: I have not seen anything recently from the Falkland Islands specifically on this issue, but all the assurances I have received are that it should not be a problem that some have thought. I will go back to look specifically at the challenges that the Falkland Islands economy may face, particularly with respect to the squid sector.

Baroness Primarolo: And generally in being outside the single market. Perhaps you could include Gibraltar in that, because we have long-standing responsibilities to both of those. Saying that we will leave it to them to sort out would not be acceptable under no deal, would it?

Michael Gove MP: I absolutely take your point. We have an obligation to all the Overseas Territories to do everything possible to look after the people.

Baroness Primarolo: Thank you.

Q19 **Baroness Hamwee:** My question is almost the same as the one that has just been asked. What role do we have in the negotiations between Gibraltar and Spain, because there is a dependency there in more than one sense?

Michael Gove MP: I had the opportunity to talk to Olly Robbins last week, and I know that he spent a great amount of time during the negotiations with the Commission in the run-up to the withdrawal agreement talking to the Government of Gibraltar and then talking to the Commissioner to make sure that the Government of Gibraltar's interests were respected. People talked on his behalf as well. I also know that the Foreign Office has facilitated bilateral and multilateral conversations between Gibraltar and Spain and other actors.

Baroness Hamwee: In the context of a possible no deal as well as before?

Michael Gove MP: In every context. But, again, I hope that I will see Chief Minister Picardo soon, so if any new concerns are raised or there are other concerns that he hoped might be mitigated but now feels are back on the agenda, I will certainly share those with the Committee.

Q20 **The Chairman:** Thank you very much. We are on to the last topic: devolution. One of your ministerial responsibilities is to oversee the consequences of devolution. Particularly in respect of Scotland and Wales, what can you say at a high level will be the impact of a no-deal Brexit, particularly in areas that are at greater risk or in areas at a lesser risk?

Michael Gove MP: Various different issues affect Scotland and Wales in different ways, exactly as your question implies.

First, Members of the devolved Administration Governments are invited to XO meetings. There will be two XO meetings this week which they will attend: tomorrow and Thursday. The Joint Ministerial Committee (EU Negotiations)—the JMC(EN)—will meet this Thursday to discuss other related issues.

I have talked informally to Mike Russell and Jeremy Miles, who are the lead Ministers in their respective Administrations, about these issues. While, of course, the three of us take different views about the advisability of EU exit at all, nevertheless their Governments have been very pragmatic on the day-to-day preparations required. To take a case in point, Wales has a particular challenge at Holyhead, because it is one of the principal routes in the land bridge for goods from the Republic of Ireland into the EU. I visited Holyhead to see how preparations are proceeding there, and I was reassured by the steps being taken by the port.

It is also the case that Scotland and Wales are disproportionately likely to be affected by the common external tariff. A higher proportion of people in Scotland and Wales rely on the agri-food industry for their income than in England. In particular, a higher proportion are upland and/or sheep farmers, and, as we know, 90% of the lamb that we export we export to the EU, overwhelmingly to France. That will face a tariff of at least 40% or more, so preparations are in training to intervene in the sector to help

to support farmers should a no-deal exit have a dramatic effect on their income.

There is also another issue in Scotland which is obviously that we need to be particularly careful to ensure that a proper supply of food reaches remote communities. Again, in Scotland, while the overwhelming number of those involved in the fishing industry voted to leave, we also need to make sure that the shellfish sector gets its products quickly to market. That is why some of the steps that the French Government have taken in Boulogne that I mentioned earlier have been so helpful.

The Chairman: When you say “intervene”, that sounds like money. Can you say where the money is going to come from, both in terms of the UK Government or the Scottish Government and in terms of whose budget within the UK Government?

Michael Gove MP: It would be from the UK Government. We would work with the Scottish and other Governments to make sure that they have the resources required. When I was Defra Secretary—of course, the new Defra Secretary will look at these processes and will present shortly to XO about changes that may be required—our approach was to say that we will calculate any potential loss of income that a sheep farmer may suffer as a result of a decline in the value of sheep meat, and then we will make sure that we support their income by some form of headage payment. The UK Government would make available the money required and would work with the devolved Administrations to make sure that farmers were treated equitably across the UK.

The Chairman: That is very helpful. Before I bring Lord Lamont in, it is good to hear that money is coming from the UK Government, but is there enough of it? Are you confident that everything that is required is in the bucket?

Michael Gove MP: At the moment, money is being set aside for something that is being called Project Kingfisher, which allows for interventions to be made in sectors or individual businesses that are fundamentally vulnerable or could be adversely affected by a no-deal exit. Different government departments are bidding into Project Kingfisher. I suspect that if there are sectors that need additional help, the Chancellor will provide.

Lord Lamont of Lerwick: I am wondering not so much about the amount of money but about the administration of this. You are facing an extremely serious situation, with a 48% tariff when you export and then a lowering of tariffs for the rest of the world so that the amount of lamb in circulation is increased so that the price falls. You will then attempt to compensate for this drastic effect by getting grants to people.

Our experience of things like HLCAs is that sometimes that money can be very slow to administer. First, you have to have the forms—no doubt, you have them printed—then people have to fill them in and do so accurately. The forms then have to be checked and the money has to be sent to

people after the forms have been through various chains of supervision. Is this really practical, given that this very severe effect will hit people on day one after no deal?

Michael Gove MP: I have a lot of sympathy with that line of questioning, because, irrespective of anything else, the one sector that as a result of the common external tariff bears the brunt is the sheep meat sector. You are absolutely right, and that is one of my biggest concerns.

Within that, I would say two things. First, we will apply the common external tariff that the EU applies to us. We will apply it to them—universally, obviously, because it is an MFN approach. We will apply that tariff to all lamb and sheep meat, so it is the most protected sector in tariff terms.

Secondly, outside the common agricultural policy, the process of checking and cross-checking when it comes to payments to farmers is much more flexible. One of the problems we have had is that the EU has applied a principle which means that if it believes that a penny here or a penny there may have been disregarded in the allocation of payments, and that therefore the accounting mechanism is flawed, it will claw back money through a process called disallowance.

That has created a very risk-averse and bureaucratic approach to getting money to farmers. The RPA would love to have a fletcher of foot approach, and it has certainly become much more effective at getting money out of the door. While I would not for a moment suggest that it will be plain sailing, we are doing everything we can to make sure that money can be allocated with a minimum of bureaucracy.

Q21 Lord Jay of Ewelme: Do you think the Joint Ministerial Committee structure will be fit for purpose for the very difficult devolution issues that will arise after Brexit?

Michael Gove MP: I think it is important that we keep it under review. The devolved Administrations have said that they want to have a review—indeed, we have committed to having a review of intergovernmental relations. These are things that have to evolve, and I am very sensitive to the needs of the devolved Administrations and for them to be kept involved. That is very important.

The Chairman: Lord Kerr will ask the last question from us tonight.

Lord Kerr of Kinlochard: Can I ask two?

The Chairman: Please do.

Q22 Lord Kerr of Kinlochard: Following up on Lord Lamont's ferocious interrogation, is it still your intention to reduce the tariff on New Zealand lamb, and the quota on New Zealand lamb, to zero instantly, even though that would open you to the Canadian point?

Michael Gove MP: No. We will maintain the same tariff towards everyone when it comes to lamb and sheep meat.

Lord Kerr of Kinlochard: And what will that tariff be?

Michael Gove MP: Forty-odd per cent. The other thing I was going to say is that the tariff rate quotas will be split between the EU and the UK, so there will still be some New Zealand lamb that comes in under TRQ.

Lord Kerr of Kinlochard: Is that not something you were trying to do well before you were doing this: to try to negotiate a split? Neither the New Zealanders nor the Australians were prepared to pay for it.

Michael Gove MP: Yes.

Lord Kerr of Kinlochard: So that has not happened yet.

Michael Gove MP: We are proposing to split it. Of course, they might choose to object and all the rest of it but that is the policy that we will—

Lord Kerr of Kinlochard: But the splits have not been agreed.

Michael Gove MP: It is the policy that we and the EU are happy with. The other thing I would say—

Lord Kerr of Kinlochard: I think it is the New Zealanders who are not happy.

Michael Gove MP: The New Zealanders and the Australians are not, absolutely.

The other thing I would say is that one of the reasons why we have a TRQ for New Zealand lamb is of course that lamb is a seasonal product. In effect, lamb from the southern hemisphere comes here when the production of UK lamb drops, and vice versa. While of course every lamb import has an impact on price overall, we would want to maintain generous access for New Zealand lamb because it would be there to meet the consumers' needs at a point when UK farmers were less able to.

Q23 **Lord Kerr of Kinlochard:** As a Scotsman, I am sure you will have the hill farmer, the sheep farmer and the beef farmer in mind all the time.

My last question—my cheating question—hangs on Lord Jay's question about the structures for co-ordination in the Joint Ministerial Committee and so on. What about the other leg: the Good Friday agreement north-south? Do you think, looking back, Chancellor, that it would have been a good thing if, before Mrs May's party conference speech in 2016, there had been some dialogue with the Irish Government within the structures set up in the Belfast treaty about what we were planning to do? There could have been some discussion about our leaving the single market and particularly the customs union.

The Irish seem to feel that we were in effect saying, "We are going to denounce", but we gave them no advance indication that we would do that. In the fix we are in now on the backstop, even although the Irish Government were rightly saying—I am sure they said it today—"Only the EU negotiates and we are not going to break ranks", would it not be right

to make some effort to use the north-south Good Friday agreement structures?

Michael Gove MP: That is a very good point, yes.

The Chairman: Thank you very much indeed. I should have declared my own agricultural interests; I am sorry for not doing that. I also wanted to say how much the Committee is interested in the devolved matters. We produced a very strong report, *Brexit: Devolution*, which we will consider returning to, because one of the things we must get right after Brexit is our own internal structures. I just want to make that point.

Michael Gove MP: Yes.

The Chairman: Thank you very much for making us two promises. The first was your kind letter on the security matters, which we appreciate may have some elements that are highly confidential. If you let us know what those are, we will obviously respect that. Secondly, we look forward, like everyone else, to the Yellowhammer documents arriving. But thank you very much for coming late at night after you have been exposed to brutal treatment in the Commons. We hope to see you again very soon.

Michael Gove MP: Thank you very much.