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HOUSE OF LORDS

OFFICIAL REPORT

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The first time a Member speaks to a new piece of parliamentary business, the following abbreviations are used to show their party affiliation:

Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Tuesday, 13 October 2015.

11 am

Prayers—read by the Lord Bishop of London.

Introduction: Lord Blunkett

11.08 am

The right honourable David Blunkett, having been created Baron Blunkett, of Brightside and Hillsborough in the City of Sheffield, was introduced and took the oath, supported by Baroness Corston and Baroness Hughes of Stretford, and signed an undertaking to abide by the Code of Conduct.

Introduction: Lord Hayward

11.15 am

Robert Antony Hayward, Esquire, OBE, having been created Baron Hayward, of Cumnor in the County of Oxfordshire, was introduced and took the oath, supported by Lord Moynihan and Lord Glendonbrook, and signed an undertaking to abide by the Code of Conduct.

Oaths and Affirmations

11.20 am

Lord Coe took the oath, and signed an undertaking to abide by the Code of Conduct.

European Union Referendum Bill

Second Reading

11.20 am

Moved by Baroness Anelay of St Johns

That the Bill be now read a second time.

The Minister of State, Foreign and Commonwealth Office (Baroness Anelay of St Johns) (Con): My Lords, I am privileged to open Second Reading of the EU Referendum Bill. The Bill will enable the Government to deliver our manifesto commitment to hold a referendum on the UK's membership of the European Union before the end of 2017.

That commitment was rooted in our desire to give the British people the final say on an issue that goes to the heart of the governance of this country—an issue on which we have not directly consulted the people for more than 40 years. Since 1975, the United Kingdom has held referendums on devolution, as well as on our voting system, and in the long years since that vote in 1975, the UK's relationship with the European Union has changed beyond all recognition. Whether noble

Lords believe that this change has been for good or ill, or somewhere inbetween, it is right that the people now get to have their say.

Voters in other member states have had their opportunity. Their Governments have continued to ask for their consent. Indeed, in the past four decades, there have been more than 30 referendums on the EU right across Europe—Ireland alone has had eight—but not one has been held here, to give the British people their say, since 1975.

Of course, the referendum does not stand in isolation. This Government are committed to negotiating a new settlement for the United Kingdom in Europe: a settlement that ensures that the European Union is able to meet the challenges of the 21st century; above all, a settlement that addresses people's concerns about the European project.

The negotiation will be difficult. There will be noise and possibly setbacks along the way, but the Government are confident that we can negotiate a new deal to put to the British people at the referendum.

I will now briefly set out the provisions of the Bill. The EU Referendum Bill does what it says on the tin. It will enable a robust and fair referendum to take place and, crucially, it will enable a referendum that is also seen to be fair.

The Bill is simply about the mechanics of the referendum, and is based on existing electoral law: particularly the Political Parties, Elections and Referendums Act 2000. It sets the end of 2017 as the deadline to hold the referendum. It also rules out 5 May 2016 and 4 May 2017, when local and devolved elections are taking place across the country, as referendum dates. Otherwise, the Bill is silent on timing. As the Prime Minister has made clear, progress on the renegotiation will determine the date of the referendum. Ultimately, Parliament will decide whether to approve the date suggested by the Government. The date will be set by statutory instrument and subject to the affirmative procedure.

The Bill also sets out who is entitled to vote. This is a vote about the future of the United Kingdom in Europe, so it is right that we use the Westminster franchise as our starting point for this referendum, which is of vital importance to this nation's future. This means that British citizens in the UK, British citizens who have been abroad for less than 15 years and resident Commonwealth and Irish citizens will have a vote. Noble Lords will already be aware that we have added Members of this House to the franchise, in line with our normal practice for referendums.

I am aware of the strong feelings of some noble Lords about extending the franchise. I have heard calls for the enfranchisement of 16 and 17 year-olds. The Government remain firmly convinced that the Westminster franchise should remain the basis for this referendum. Including 16 and 17 year-olds would be a major constitutional change. We do not believe that this Bill, or any other Bill not directly addressing the franchise in general, should be the vehicle for doing this. Any such change should enjoy the support of Parliament and the country as a whole, after a full and proper debate.

[BARONESS ANELAY OF ST JOHNS]

I have also heard calls to extend the franchise to EU citizens resident in the UK. The Government recognise the strength of that feeling. Many EU citizens have made the UK their home and have made significant contributions to life in this country. No one would wish to deny that. However, this is a vote about the future of the United Kingdom in Europe so it is right that we use the Westminster franchise as the basis. Using a franchise that does not include other EU nationals is entirely consistent with the practice in other EU member states and with the EU treaties themselves. I suspect that many of the British public would view the inclusion of EU citizens as a crude attempt to fix the result.

In addition, many noble Lords will be aware of the Government's manifesto commitment to extend the franchise to British citizens resident overseas for more than 15 years. The Government will bring forward a Bill separately to amend the Westminster franchise to enable this, on which noble Lords will be able to engage in due course.

Finally, we have added British, Commonwealth and Irish citizens in Gibraltar. The Government believe it is right that Gibraltar should take part. Broadly speaking, the EU treaties apply to Gibraltar, and Gibraltar votes as part of the South West England region of the UK in European parliamentary elections.

The general election franchise is the right basis for such a crucial referendum, with the modest additions of Commonwealth and Irish citizens in Gibraltar and Members of this House. I am sure that noble Lords will have followed this debate in the House of Commons. Various proposals were made to expand the franchise, including lowering the voting age and adding EU citizens, each of which was firmly rejected. Nevertheless, as always, I look forward to listening to the views of noble Lords on these important issues, both inside and outside the Chamber, in the coming weeks.

I will say a little more about the addition of Gibraltar. The Government have remained in close contact with Her Majesty's Government of Gibraltar throughout this process. I know that the Prime Minister, the Secretary of State for Foreign and Commonwealth Affairs, and the Minister for Europe are all very grateful to the honourable Fabian Picardo MP and his Government for their engagement. Wherever possible, the Bill leaves it to the Gibraltar legislature to make provision to implement the referendum in Gibraltar. As a result, Her Majesty's Government of Gibraltar intend to introduce their own referendum Bill in the Gibraltar Parliament, which will be complementary to the UK legislation. I know that Gibraltar's inclusion in a referendum was an important point for Members of both Houses during consideration of the Private Member's Bill in the last Parliament. I pay tribute to my noble friend Lord Dobbs, who sponsored that Bill in difficult circumstances.

As well as the franchise, the Bill sets out the question to be asked at the referendum. The Electoral Commission carried out detailed research and consultation over the summer. It concluded that the question should be amended to ensure the maximum level of neutrality. The Government brought forward an amendment on Report in the Commons to reflect this recommendation.

The question is now settled as: "Should the United Kingdom remain a member of the European Union or leave the European Union?". Voters will be able to mark one of two options: "Remain a member of the European Union" or "Leave the European Union". This departure from a yes/no answer is novel but the Government agree that the change will strengthen the perception that the neutrality of the referendum is beyond doubt.

The Bill also deals with electoral administration rules. Clause 3 and Schedule 3 to the Bill set out the overarching framework for the conduct of the EU referendum, and provide for the appointment of the chief counting officer, regional counting officers and counting officers for the administration of the poll. The framework follows that used for the conduct of the parliamentary voting system referendum in May 2011. The Government have also prepared draft regulations which will eventually be made under powers in the Bill and which will supplement the provisions in Clause 3 and Schedule 3. We published that draft by way of Written Ministerial Statement in this House and the other place in July and we consulted over the summer. We are now taking account of comments from the Electoral Commission and others to produce final draft regulations, which will be subject to Parliament's approval before being made. This early action will give electoral administrators across the United Kingdom and Gibraltar the certainty they need to begin their preparations.

The Bill also provides for the crucial campaign rules, using the established and well understood framework set out in the Political Parties, Elections and Referendums Act 2000. To that, we have added best practice from the alternative vote and Scottish independence referendums in a range of technical areas as set out in Schedules 1 and 2. Taken together, these will ensure a fair and transparent campaign. I am sure that noble Lords will not have failed to notice that the main focus of Committee and Report in the other place was Section 125 of the Political Parties, Elections and Referendums Act 2000. Section 125 concerns restrictions placed on government and public bodies on publishing certain material in relation to the referendum in the final 28 days of the campaign. The other place voted to reapply the Section 125 restrictions in full and to create a power to make exceptions to these restrictions through regulations. As is proper, any regulations made under this new clause will be subject to the affirmative resolution procedure in both Houses. The Government are also bound to consult the Electoral Commission and any regulations must be made at least four months before the referendum date.

Lord Forsyth of Drumlean (Con): Would it be possible for my noble friend to publish those regulations before we consider the later stages of this Bill? Clearly, the Government could by regulation, for instance, reinstate the provisions that abolished purdah. To ensure that we have a proper debate on this, why can the Government not let us know now what these regulations in draft form would contain?

Baroness Anelay of St Johns: My Lords, naturally we will discuss these matters further so I will say briefly, since this is the opening speech, that I have already

given an undertaking to cross-party meetings in this House. The Government are not seeking to overturn the vote which they lost in another place. We will keep to that undertaking. On publishing the regulations, we are taking consideration about precisely what the risk will be of coming forward with regulations, with regard not to parliamentary procedure but to whether they would properly reflect the risk to the Government of acting or not acting on, for example, European business. If my noble friend will forgive me, we are at the stage where we are looking very carefully at a decision in another place. I feel sure I will be able to respond in more detail at a later date.

I deeply appreciate the concern felt by noble Lords on all sides of the House on this matter. I was about to say that if the Government propose any exceptions, we will of course be mindful that there will be two designated campaigns leading the debate and that it will be for those campaigns to take the lead, as Ministers have made clear from the start. It is worth dwelling on that point. It is absolutely right that the designated campaigns lead the debate over whether to remain a member of, or leave, the European Union. This is established practice in the United Kingdom, and forms a key plank of the Council of Europe's best practice guidance on referendums. The campaigns will no doubt put forward their arguments with gusto, and there will be competing claims about the benefits or otherwise of a particular decision. The campaigns will assume primary responsibility for engaging the people of this country and ensuring that they are furnished with enough information to make an informed decision. Clearly, that is the right approach—but, also clearly, there is a role for government. The public will expect Ministers to set out the results of the renegotiation, how the relationship with Europe has been changed and if, and how, those changes address their concerns. As my right honourable friend the Chancellor of the Exchequer said in June, I am sure that the Government will publish an assessment of the merits of membership and the risks of a lack of reform in the European Union, including the damage that that could do to Britain's interests.

I have no doubt that, once the Prime Minister has announced the results of the renegotiation, there will be a lively and robust debate both in Parliament and in the media, as there should be. I know that this is a particularly important point for noble Lords. Indeed, a number of parliamentary inquiries, in the other place and here, have been launched into the renegotiation, including by the highly influential European Union Committee chaired by my noble friend Lord Boswell. He is now, of course, independent, but he will always be a friend. The Government will continue to engage with them actively.

The Government have a clear mandate to hold a referendum on the United Kingdom's relationship with the European Union. The EU referendum Bill will enable that to take place before the end of 2017. The Bill takes the best examples of good practice from previous referendums in the United Kingdom, and sets out rules on who can vote, and how they vote, which are reasonable and robust. It ensures a fair campaign so that the deck is not stacked in favour of one outcome or the other. This Bill sets the stage for

one of the biggest decisions that the people of these islands have been asked to make in a generation. I beg to move that this Bill be read a second time.

11.37 am

The Earl of Courtown (Con): My Lords, I remind the House that if the eight minutes' advisory speaking time for Back-Bench speeches is adhered to, the House should rise at 10 o'clock. In addition, the House will adjourn after the speech of the noble Lord, Lord Shipley, before Questions.

11.37 am

Baroness Morgan of Ely (Lab): My Lords, I thank the Minister for outlining the proposals in the EU referendum Bill, and we look forward to working through the details as it goes through this place. Labour supports the proposal to hold a referendum on EU membership. We as a party are committed to retaining our membership of the EU and belonging to the club which has maintained peace, security and prosperity in western Europe for well over half a century. We understand, as does the CBI and most Union members, that our membership of the EU is integral to the success of the UK economy, and that the financial value of EU membership is the equivalent of over £3,000 per year to every family in the UK. But we have also come to realise that the constant debate on this theme and lack of commitment to the project by this Government are denting investor confidence and making people question where our long-term future lies. Therefore, we have agreed to support the call for a referendum to settle the question—but we also believe that it is imperative that we win and retain our membership, which gives us access to the biggest single market and largest trading bloc in the world, in addition to being the largest development aid donor.

It seems ironic that, at the time when issues and consequences of globalisation are literally landing on our shores, some believe that we can lift the drawbridge and isolate ourselves from the world. It seems desperately naive to me that, while our economies are becoming more linked than ever, some think that it is a good idea to withdraw our long-term commitment to support markets in the EU, where 50% of our trade in goods goes, for some whimsical hope that we can make up the ground in alternative markets, even as those markets are stalling.

Labour, of course, wants to see an EU committed to social justice and protective of people's rights as individuals and in the workplace, and an EU understanding of the needs for environmental protection and long-term sustainable development. We want to stand in solidarity with our continental partners on the challenges that confront us all, because we are internationalists with an outward-looking vision. We know that our ability to exert influence in this increasingly complex world means that we need to sing in a chorus along with others, and it makes sense that those others are our nearest geographical neighbours.

We agree with the proposed changes in the wording suggested by the Electoral Commission on the question to be put to the public. However, on the issue of franchise, we think it is difficult for the Government to

[BARONESS MORGAN OF ELY]

argue that they are sticking to the same franchise as for the Westminster elections. After all, as the Minister just outlined, Peers and Gibraltarians will be allowed to vote. The key issue for the Labour Party is that 16 and 17 year-olds deserve to vote. We all remember the intelligence and enthusiasm with which the youngsters of Scotland engaged in the independence referendum, and the Government have agreed that in any future referendum on tax-raising powers in Wales, 16 year-olds should be allowed to vote. There is no consistency whatever in the Government's position of not allowing 16 and 17 year-olds to vote in the European referendum. This would be a once-in-a-generation opportunity for them to voice their opinion. It will, after all, be they who will live with the consequences of the result of the vote longer than any of us. It seems highly unfair to deny them the opportunity to speak on the important issue of Britain's place in the world. We encourage the Government to change their mind on this issue. We are aware that some are already agitating from within the Government to make this happen.

There seems an incredible naivety in the Government's approach to the referendum. For a party which has still not declared which side it will support, it is odd that there is almost no information or plan for what the UK's relationship with the EU would be if we were to leave it. In any normal business environment you would ask, "What is the alternative?". This basic question does not seem to have been asked, but one thing is clear: it has certainly not been answered.

The British people have a right to know what their country will look like and feel like if they vote to leave the EU. Labour will be proposing and supporting a group of amendments that will require some basic answers from the Government on this question. We believe that the British people deserve to know what the impact will be on their rights as individuals within the UK in the event of a "leave" vote. Will the EU social legislation securing maternity and paternity leave remain in place? Will temporary agency workers still be able to depend on a degree of protection? Will EU directives on health and safety at work still be honoured? Will we still be able to rely on the free movement of goods, people and capital? What assurances can the Government give on these basic questions? Will the European Charter of Fundamental Rights be incorporated into British law? We do not have a constitution in the UK, so it has been useful to know that we have the EU as a backstop protection for a whole host of rights, including the right to freedom of expression and information, consumer protection and the right to collective bargaining. Where would our assurances be on these issues if we were to leave the EU? How much further would the Government have gone on the Trade Union Bill had we not had the EU as a guardian?

What about the rights of EU citizens living in the UK? Would they be affected if we left the EU? Would they be allowed to stay? For how long? Would we just stop any more EU citizens entering? Would EU citizens need visas in future? What about the rights of UK citizens living in another EU country? We believe that there may be as many as 2 million of these. Would they be expected to come home? Would they need to uproot

themselves from their new lives? Would they have the right to stay and use continental hospitals? Could they continue to have their pensions transferred abroad?

On the legislative and statutory consequences for the UK, we are told time and again by the Eurosceptics how much EU law is handed down to us on a plate. It is not true, of course—every EU law has to be discussed and generally approved by the UK Government—but it would be wrong to pretend that EU law has not had a major bearing on legislative practices at all levels of government in the UK. If we take environmental law—an obvious area for the EU to act, as pollution knows no boundaries—it is clear that much of our domestic law, not just here in Westminster, but in the devolved bodies around the UK and in local government, references or puts into regulation EU legislation. Have the Government made any calculation of how many laws will need to be rewritten if we were to leave the EU, or of how much it would cost to employ additional armies of legislators and how long it would all take? What of our ability to pursue criminals abroad, co-operate on anti-money laundering initiatives, monitor extremists and work with Europol? The Government's first priority should be to protect their people. What assessment have they made of the impact on their ability to protect and co-operate in the areas of home affairs and justice if we left the EU?

We know that the coalition Government carried out a major exercise on the balance of competences between the UK and the EU. It was a massive job of work, incredibly comprehensive in its analysis. It produced a report, which has been buried without trace because it does not meet the internal row occurring in the Tory party. We need to know the consequences for each government department if we were to leave the EU. We appreciate that this is a significant piece of work, but the consequences of a no vote would also be significant. We argue that it is worth building on the balance of competences review. It would make sense for the Government not just to carry out this work, but to make sure that the public can access its findings. Let us not bury the next report. The public need and deserve to know, prior to any vote being held.

We also believe that the Government should go beyond these immediate questions and be absolutely clear on what the alternatives to EU membership will look like in the event of a no vote. The public need to know what the relationship with our biggest market will look like if we were to leave. We need to have some idea of what the Government think will be negotiable in the event of a UK vote to leave the EU, as an alternative to full membership. Let us not forget that every one of the 27 EU member states would have to approve this new relationship. Let us not forget also that the Prime Minister's veto on EU treaty change in 2011 did not endear him to EU leaders. We know that just last week the leaders of Finland, Belgium, Romania and Spain opposed the Prime Minister's plan to deny EU workers in the UK in-work benefits. If we were to leave, how generous do we think our former EU partners would be in terms of the price of access to their markets?

Would the Government like a complex Swiss-like relationship with the EU—a model that negotiates case-by-case deals with the EU? Despite the supposed

beauty of this model to some, it should be noted that Switzerland has not managed to secure access to the EU market for its main economic sector, financial services. We should be absolutely clear that maintaining London as the pre-eminent financial centre of Europe would become more difficult whatever model we adopt outside of the EU. Switzerland is also part of the Schengen zone and has no border controls at its frontiers. It has to implement a larger proportion of EU law than the UK.

Alternatively, we could go for a Turkish model of a customs union and not much else, but it should be noted that Turkey cannot conclude any separate trade deals—one of the biggest supposed advantages claimed by the no campaign. Or would the Government rather a Norwegian model—a model, let us not forget, that insists on freedom of movement, goods and capital? There would be no change on EU immigration. Incidentally, we would still have to pay for the privilege of trading and would have to comply with every single one of the market rules, without any say in formulating them. Would this really enhance our sovereignty as a nation? Norway has already advised us that we should leave only if we,

“want to be run by Europe”.

If we dismiss all these alternatives, we are left with a much more distant relationship with our continental friends. We could rely on WTO rules to have access to EU markets but that would leave British car manufacturers facing a 9.8% tariff on the export of cars. Eurosceptics say that we could negotiate all this away because the EU has a trade surplus with the UK, and this is true. But it does not take account of the fact that the EU's exports to the UK account for about 2.5% of its GDP, while it is 14% of our GDP. I am pretty sure that I would be driving a hard bargain if I was sitting on the EU's side of the table. Or do the Eurosceptics have some other plan in mind? If they do, it needs to be spelled out publicly before the vote.

There have been numerous studies to investigate the impact on the UK economy if we were to leave the EU but never before have we been in a position where the possibility of this happening has been so real. Therefore, we call on the Government to ask the Office for Budget Responsibility to publish a report prior to the referendum on the effects of withdrawal from the EU on the UK economy. We should also underline the fact that globalisation has meant there is an understanding that pooling resources and co-operation is the direction of travel—just look at the Trans-Pacific Partnership deal, signed between the US and 11 different Pacific nations in recent weeks. Retreating and turning our back on the world needs to be understood as a retrograde step. Finally, it is worth underlining that although all these reports are essential to inform the public, the case in relation to the EU also needs to be made on an emotional and patriotic basis.

Britain has and should continue to have aspirations to lead in the world. The defence of our national interest in Europe and beyond—economically, politically and diplomatically—will be put in jeopardy if we leave the EU. Our partners, particularly the US, would not understand a decision to exit. It would diminish Britain's influence, image and reputation. Instead of seizing an

opportunity to show leadership ourselves, we would be handing over leadership in Europe to Germany for a generation. It is also likely that our seat on the UN Security Council would soon be called into question. Our absence from the political and diplomatic debate on the current threats facing Europe, not least on the EU's eastern borders with Russia, would hardly enhance our influence within NATO.

Being a part of the single market will create jobs for our children and grandchildren. It will give them opportunities to live, work, study and travel on a broader stage. It will allow us influence on the international stage and forge stronger scientific and innovative ties. Our universities would suffer grievously from the absence of R&D funding from Europe. Let us not forget that if parts of the UK were to vote against and others were to vote in favour, most notably Scotland, it would drive the nationalist agenda for separation and almost certainly lead to a second referendum north of the border.

My first job on leaving university was as an intern in the European Parliament. I remember very clearly my first day, entering an office where there was a very chic-looking Parisienne wearing bright red lipstick, and a confident-looking German man ready for work. The Parisienne came in, put her feet on the desk, lit a cigarette and said, “What goes on here, then?”. The German was infuriated and through gritted teeth he said, “Do you mind putting out that cigarette?”. She answered, “Why? Do you have a problem?”. For me, that first scene in Brussels summed up the need for the EU. The Parisienne thought it was her right to smoke, the German thought it was his right to clean air, and now they had to sit down and work out their differences. In all the talk of markets and rights and responsibilities, we must not forget that the EU is the most successful example of a peacemaking institution in history. In this world full of instability, threats and new global challenges, we leave at our peril.

11.54 am

Baroness Smith of Newnham (LD): My Lords, it is with some regret that I stand here opening for the Liberal Democrat Benches this morning as my noble friend Lady Ludford is not able to be with us for personal reasons. We send her and her husband good wishes.

It is also somewhat with regret that I participate in this debate at all. The Minister said she was delighted to open this debate bringing forward the Government's proposals to hold a referendum on whether Britain should remain in the European Union. As a committed pro-European who joined a pro-European party more than 30 years ago, and believed that the question of Britain's membership of the European Union had been resolved while I was still a child, it is somewhat demoralising to think that the question is being reopened, and that somehow a major constitutional issue which should have been resolved in 1975 is back on the drawing board.

Lord Forsyth of Drumlean: Am I wrong in thinking that at the election before last the Liberals had a manifesto commitment to give Britain an in/out referendum? What is the noble Baroness talking about?

Baroness Smith of Newham: My Lords, the noble Lord is correct: the Liberal Democrats had a commitment to an in/out referendum and I will come to that in a moment. Temporarily, if he will allow me, I am speaking personally and I do not think that referendums are necessarily helpful. However, it was party policy for the Liberal Democrats to hold an in/out referendum at the time of treaty change in line with the 2011 EU Act passed during the coalition Government. That was not to hold a referendum on the basis of reform renegotiation along the lines of the Conservative manifesto of 2015. We recognise as a party that the Conservatives won the general election and that we are to move towards a referendum. That is absolutely clear. We will not get into the detail today of whether we will have a referendum: it will clearly happen.

Rather, I will flag up some areas that my colleagues will want to elaborate on during the debate. These are issues of the franchise, the question and reports, of the nature that the noble Baroness, Lady Morgan, touched on. In particular, we will want to talk about the franchise. Here, the Minister said she had heard people calling for votes for 16 and 17 year-olds. I suspect that noble Lords will hear a lot more calls for votes for 16 and 17 year-olds in the course of today's debate and through the passage of the Bill. It is the future of this country that matters. The Minister already said that this Bill is about the future of the United Kingdom, but if it is about the future of anybody it is that of our young people. The referendum last year in Scotland demonstrated that 16 and 17 year-olds can be trusted to vote and engage in political decisions, and these are questions about their future as much as that of Members of your Lordships' House—many of whom already had a vote on whether Britain should remain part of the then European Community in 1975. Our 16 and 17 year-olds did not and it is their future as much as ours that is at stake.

In addition to 16 and 17 year-olds, many residents of the United Kingdom are disfranchised. These are EU nationals, who exercise their rights under the EU treaty to live and work in the United Kingdom and who thought they would be here as EU citizens. Surely they have at least as much interest in this referendum as Commonwealth citizens who happen to be resident in the United Kingdom. Therefore, I would like the Government to reflect on the extent of the franchise and votes for EU nationals, who contribute so much to the United Kingdom.

The Minister pointed out that another pledge in the Conservative manifesto of 2015 was to extend the franchise to Brits who have lived abroad for more than 15 years. In many cases that includes British nationals who are resident in Brussels and work in the EU institutions precisely because the United Kingdom is part of the European Union. I believe it also includes some Members of your Lordships' House who are resident in France or in other countries. They will be enfranchised through the provision that Peers who are resident in France will be able to vote, but other British nationals who have been abroad for more than 15 years would not currently have the franchise. Yet surely they are exercising their rights under the EU treaty. Do they not have a right to have a say? It is not simply British nationals resident in the United Kingdom

who have a profound stake in this referendum; it is also British nationals resident in other EU countries, who are benefiting from the current legislation to which we, the United Kingdom, signed up. Therefore, I ask the Minister to look again at the franchise and to help us, as Members of your Lordships' House, and the citizens of the United Kingdom and our partners and allies in the European Union, to understand what the British Government want and what the question really means.

As the noble Baroness, Lady Morgan, pointed out, the question has been reframed by the Electoral Commission. The Liberal Democrats, like the Labour Party, are happy to accept the revised question. It may indeed create maximum neutrality, as the Minister suggested, but it does not necessarily reflect maximum clarity. The previous wording,

“Should the United Kingdom remain a member of the European Union?”,

with a yes or no option, at least appeared clear. We know what such membership entails, and to campaign or to vote on whether we stay or do not stay would appear to be clear. If we add into that the question of leaving, then we surely need some explanation of what leaving means. At one level it might appear to be entirely straightforward. We walk away from the European Union and from everything we signed up to in 1973. We walk away from the whole *acquis communautaire* that has been delivered ever since—legislation that the United Kingdom has indeed signed up to, which has been approved by both Houses of Parliament. That would be the relatively easy way of doing things—simply to tear everything up and start again. Superficially it is—to walk away, to be in splendid isolation, an autarchic country. That may be the UKIP position, but I suspect that it is not the position of Her Majesty's Government, nor indeed of many Eurosceptics who wish to leave the European Union and who believe that there are alternatives—which could be the European Economic Area or the Swiss model, or perhaps something *sui generis*.

The question then becomes: are any of these other models more beneficial? We heard from the noble Baroness, Lady Morgan, that the European Economic Area may not be the *deus ex machina* that many people think. It is sometimes suggested that we could be like Norway. Indeed, we could try to be like Norway. It has the advantage of sovereign wealth funds. It has the advantage of being a small country that is integrated into the European markets. It has also signed up to much of EU's *acquis communautaire*. But it does not have a seat at the table. It has what many people have referred to as “fax democracy”. I am told that that term is outdated. It is no longer fax democracy. Maybe it is e-democracy. The point is that the Norwegians are not able to sit at the table, as Her Majesty's Government Ministers are able to sit at the table, and to legislate. They simply take what is given through the *acquis*.

It is true that the European Economic Area agreement has not been changed since 1994; it is in that sense static. But it is dynamic in the sense that, since 1994, 7,000 EU legal Acts have been incorporated into the agreement annexes. So the idea that somehow shifting to be part of the European Economic Area along with Iceland, Norway and Liechtenstein would be in any

way preferable raises a whole set of questions. The United Kingdom would simply become a policy taker without a seat at the table. Nor is the Swiss model any better because, essentially, the Swiss are required to do what they are told. The Swiss bilateral agreements at the moment include 100 sectoral agreements that already provide for considerable integration, and the European Parliament as recently as July this year reminded us that the free movement of persons is one of the fundamental freedoms and a pillar of the single market. It has always been an inseparable part of the preconditions for the bilateral approach between the EU and Switzerland. So the Swiss model is not necessarily going to be any better than the EEA model or, indeed, membership of the European Union.

It is important that we understand what “leave” means, and I ask the Minister what provision the Government are making for reports that explain what it might mean and what the alternative models might mean. Could she also explain to us her understanding of Article 50? If the citizens of the United Kingdom, whether or not on an expanded franchise, are voting to leave the European Union, Article 50 suggests that the other 27 member states will decide what agreement they will make with the United Kingdom. We will not have a seat at the table. So the idea that we can set out scenarios of what we want may in any case be fanciful. I ask the Minister to explain further what the Government understand by “leave” and to bring forward a report to explain what the alternatives would be and how they would be explained to the British public.

12.07 pm

Lord Jay of Ewelme (CB): My Lords, I very much agree with the Minister on the importance of this Bill and of the referendum to come. The battle lines are already being drawn and campaigns are being drawn up, and personally I very much look forward to the jousting to come between, among others, the noble Lord, Lord Lawson, and the noble Lord, Lord Rose, both of whom I had the pleasure to meet for the first time in Paris.

I tie my own banner firmly to the lance of the “in” campaign. I believe that Britain’s economic interests lie firmly in membership of the European Union; the single market helps our exports and encourages European Union and non-European Union companies to invest here and, in doing so, to create jobs, many of them in high unemployment areas outside the affluent south-east. Trade, investment and jobs all benefit from our EU membership. Would the economy collapse if we were out of the EU? Of course not—but would that trade, that investment and those jobs be at risk? Yes, they would, and the consequences are unknown and unknowable.

The argument that our membership of the EU somehow hinders us from developing our trade with the growing economies of China, India, Brazil and Indonesia strikes me as bizarre. Membership of the EU has not hindered our trade relations with the United States, for example, so why should it with others outside the European Union? Surely, we need to pursue both energetically. This is not a zero-sum game. The EU trade agreements with much of the non-EU world, negotiated with the clout of an EU of more than 500 million people, help our own trade. We

can and do influence the negotiation of such agreements and we benefit from the results. Do we want to risk all that by leaving the EU? I do not think so.

Our influence as part of the European Union boosts our foreign policy too. Take the long, difficult but ultimately successful negotiations with Iran. Britain’s presence alongside that of France and Germany in formulating and supporting the EU’s position, linked to our strong relationship with the United States, had a real and positive influence over the outcome of those negotiations in Britain’s interest.

I fear that Ukraine provides a foretaste of what life might be like outside the European Union. Chancellor Merkel goes to Washington in February for talks with President Obama. Chancellor Merkel and President Hollande then go to Minsk for talks with President Putin, and earlier this month, the three meet again in Paris to discuss not only Ukraine but Syria. Where was the UK? Absent. Yet the civil war in Ukraine, on Europe’s borders, and the crisis in Syria really matter to us. It is surely in our interests to work within the EU with the French and the Germans to seek solutions with the Russians to crises such as those in Ukraine and Syria.

To advance our own interests, we need to be on the inside working with our EU partners and fully engaged—not in a static European Union. The EU faces huge challenges, notably over the future of the eurozone and the migration crisis. It has to evolve to meet those challenges, and we, the United Kingdom, need to ensure, as others will, that as it changes, our interests are advanced and protected.

I therefore hope that the present negotiations over our membership succeed. In particular, we need to ensure that a more closely integrated eurozone—which needs to and, I believe, will, happen—in no way conflicts with the single market of all 28 European Union states, and that the position of the City of London is thereby not jeopardised. I hope that the Minister will be able to give an account of the present state of negotiations, although I recognise the need for caution while they are continuing.

I hope that the negotiations can be successfully completed and the referendum held by this time next year at the latest. The closer we get to the French and German elections in the summer and autumn of 2017, the less likely they will be to make the concessions we need. I therefore see no advantage in drawing out the negotiations and delaying the referendum into 2017.

I look forward to Committee on the Bill. I do not think it should be greatly delayed, but there are issues which need discussion, some of which have already been mentioned. Like others, I think that there is a strong case for extending the franchise, as in the Scottish referendum, to 16 and 17 year-olds. The purity of the general election franchise has already been breached to allow Peers and citizens of Gibraltar to vote. It would surely be right to allow the generation who will be so greatly affected by the outcome of the referendum to take part in it. I also hope that the Government will agree to provide an assessment of the implications for Britain outside the European Union alongside that of Britain inside a reformed European Union. That seems to me both fair and necessary.

[LORD JAY OF EWELME]

I have one final point. We have over the years under successive Prime Ministers had a real and positive influence over the EU's development: the single market, enlargement to the east and south and a more diversified European Union. It seems to me to be firmly in the British interest and, indeed, the British tradition to have the confidence to continue to use our influence within the EU—within, I hope, a reformed EU—to advance our national interest and the interests of the EU itself.

12.14 pm

The Lord Bishop of London: My Lords, in a matter as grave as the future relations between Britain and the European Union, there is perhaps a case for a referendum, which one hopes would settle the direction of travel for a generation. The referendum habit has elsewhere proved contagious. They tend to be run again if those in power do not get the answer they want. There must be a very strong case to justify an exception from our settled preference for a representative democracy that permits the kinds of compromises that the art of government requires. As Burke famously remarked:

“Your representative owes you ... his judgment; and he betrays instead of serving you if he sacrifices it to your opinion”.

I hope that as the referendum debate gets under way, focusing on the questions that have now been decided on in the form they appear in the Bill, it will be made clear that this really is a once-in-a-generation event. I also hope that, although the national interest of the country will inevitably occupy centre stage, we shall not forget that there are wider considerations. We are debating our future relations with the Union, not with Europe as a whole. As western hegemony fades and gives way to a more multipolar world and the memories of World War II recede to be replaced by a different sense of the economic, political and ecological challenges that we face, I hope that the debate will be wide enough to make a contribution to what in any case is necessary: the reimagining of Europe. It surely is not a case of Britain versus the rest, but a proper articulation of anxieties and an agenda for reform that is widely shared by other countries in the Union. The noble Lord, Lord Jay, has already made the point that the question of how members of the eurozone relate to the other members of the Union clearly demands new thinking.

Europe as a concept may seem very old, but your Lordships will recognise how new Europe is in its present form. The father of the nymph Europa in the myth was actually the King of Tyre in Lebanon. By the time of the Homeric hymns, the term “Europe” was used only for central Greece, because Europe, like Proteus, has continually changed its shape and character. After the cataclysms of the years 1914 to 1989, Europe was remade, as Tomas Masaryk said, in, “a laboratory ... atop a vast graveyard”.

Our present situation is not the result of any historical inevitabilities; it is just one of many possible outcomes of the protracted 20th century European civil war.

Our task in this referendum is to be active and creative partners in identifying afresh the resources to establish a foundation for the common values and principles of a Europe that is still a project in the

building. The Church of England, in partnership with the Church of Scotland, hopes to contribute to this new thinking by hosting a blog which has recently been relaunched, entitled *Reimagining Europe*. The intention is to provide a platform for faith-informed debate. *Reimagining Europe* has no editorial line. I believe that prelates and parsons should not aspire to the influence that is proper to the partisan, so there is no place in this blog for telling people how to vote. But we should not shrink from seeking to enhance public understanding of an issue that many find confusing and divisive, but which is one of extraordinary significance. There must be more to this referendum than a calculation of the temporary individual economic benefit or disbenefit of membership of the Union in its present form.

12.20 pm

Lord Hunt of Wirral (Con): My Lords, I start by congratulating the right reverend Prelate on what was an outstandingly good speech. I have to embarrass him by saying that I agreed with every word—as of course I did with my noble friend the Minister. Having also agreed with most of what the noble Baroness, Lady Morgan of Ely, said, I caution her about her throwaway line about splits, pointing to this side of the House. I think she needs to look behind her, and to remember that if it had not been for the courage of Roy Jenkins, we would never have been able to enter the European Union in the first place.

Perhaps I had better move away from controversy and back to Edmund Burke. Another reason why I agreed with the right reverend Prelate is that I have always adhered to the basic principle of democracy as brilliantly and famously elucidated and promulgated by Edmund Burke: that it is the responsibility of parliamentarians to use their experience and, above all, their judgment, the better to resolve the policy challenges of the age in which they live. Taken at face value, that principle appears to militate against the use of a referendum, but I say to the noble Baroness, Lady Smith of Newnham, that although I agree in part with her comments about a referendum, I was persuaded at the time of the Lisbon treaty that it was time to test public opinion again on our relationship with Europe. I can see no other way of drawing a line under the fractious, divisive debate over our relationship with Europe which has threatened to paralyse not only my party but politics and political discourse in this country more generally.

Over my lifetime, I have heard much talk of the sovereignty of Parliament, but sovereignty ultimately belongs not to Parliament, nor to parliamentarians, but to the people. When the union between England, Wales, Scotland and Northern Ireland, which I passionately support, is at stake, or when our role in the family of nations of Europe, as embodied by the European Union, which I also passionately support, is at stake, the fundamental question of sovereignty is also at stake. When sovereignty is pooled, shared or invested—whichever term of art we choose—then, sometimes, it is right to put the argument directly to the people; or, to put it another way, it would be wrong not to do so.

We in this House—and even our colleagues in another place, who enjoy a democratic mandate that we do not—can and should claim no ownership over

the sovereignty of the people. It is entrusted and leased to us by them, but the freehold does and must always remain with them.

I add that while the prospect of promoting a positive role for the United Kingdom at the heart of Europe was an inspiration to me and played a major part in bringing me into politics and active public life, like many others in this Chamber and elsewhere, I have had more than my fair share of frustration with the European Economic Community and the European Union. I said before that I agreed with every word spoken by the right reverend Prelate. I also agreed with every word spoken by my then leader, Margaret Thatcher—I speak as a former chairman of the Conservative Group for Europe. I was present when our leader launched the yes campaign in 1975, 40 years ago. It was the first occasion on which she appeared on the same platform as Ted Heath. I remind people exactly what our leader said, which was that,

“the Conservative party has been pursuing the European vision almost as long as we have existed as a Party”.

After quoting Disraeli and all our other previous leaders, she made the clear point that:

“We are inextricably part of Europe”.

I so strongly agree.

I must tell the House that when I was Secretary of State for Employment I took a case to the European Court, because sometimes the European Union felt like the bane of my life. I fought tooth and claw to retain the flexibility in the labour market that this nation so desperately needs if it is to compete effectively in the global market against the more collectivist and protectionist instincts of colleagues, even centre-right colleagues, from elsewhere in the EU. I greatly regret the decision of the Blair Government to sign up to the social protocol of the Maastricht treaty, from which Sir John Major as Prime Minister had so skilfully extricated us.

Despite these occasional frustrations, I have never doubted that our great nation is a part of Europe and, in order to retain our extraordinary, hard-earned and benign influence in the world, it must remain part of the European Union. We will hear much in the months ahead about the economic arguments for remaining within the European Union but I hope we will also think very hard about the political arguments about this highly respected nation of ours retaining a place at the top table. All our true friends elsewhere in the world agree with that proposition and virtually every President of the United States has been eager to see us play a full role at the heart of Europe.

In conclusion, this referendum will provide us all with the opportunity, after four decades, to put our distinctive and authoritative stamp once again on the most important decision our nation has taken since the end of hostilities in 1945. I am confident that the Prime Minister will present a deal that is in the best interests of this country and, when he does, I shall relish playing my own part in the campaign to persuade the people to endorse it. To quote Margaret Thatcher in 1990 again:

“We want Britain to play a leading part in Europe and to be part of the further political, economic and monetary development of the European Community”.

How right she was in 1990 and how right we all are to endorse that principle now.

12.27 pm

Lord Liddle (Lab): My Lords, your Lordships will be aware that I am not a natural supporter of this piece of legislation. I still regard the Government's renegotiation and referendum strategy as a reckless gamble, not just with our position in Europe but with the future of the United Kingdom itself. I think that has to be said. But now that a referendum is inevitable, I will be campaigning wholeheartedly for us to remain. I assure the noble Lord, Lord Hunt, that at the Labour Party conference, which I had the fortune—or misfortune—to attend a fortnight or so ago, a resolution was carried saying that whatever the outcome of Mr Cameron's negotiation, Labour will be campaigning to remain in the EU, and there was not a single voice in opposition.

I also think that this is a cross-party question and I want the Prime Minister to succeed in his renegotiation efforts. I do not think that we will succeed in the referendum without a positive lead from him. I want to make just a few remarks about how I think he can succeed. First, he should listen to what this House has to say about this piece of legislation. Surely on an issue of historic significance which will matter for generations to come, we should legislate to have both the widest possible franchise and the widest range of objective analysis available to citizens about the issues at stake—not just a narrow calculus of the costs and benefits of membership but a thorough examination of the alternatives to membership and a more geopolitical argument about how we see Britain's place in the world. This objective analysis is essential. We cannot let this issue be decided by the pockets of the hedge fund managers who will finance the anti campaign.

The second advice to the Prime Minister is that he must beware those pressing for delay to get, as they claim, the best possible deal. Of course, within the EU the Prime Minister must make his case robustly for the changes that he wants. However, the view seems prevalent among some people that if only the Prime Minister goes into that European Council room and bangs the table again and again, he will get whatever he wants. That is not the way the European Union works. It completely misunderstands the nature of the EU, which is a complex system of law and due process built up over decades precisely to try to stop countries behaving in that kind of arbitrary way.

Yet the people who say that the Prime Minister should up his demands do not do so because they think he will get his demands but because they want out. Noble Lords in this House who argue that, yes, they would be prepared to stay in Europe if we got comprehensive treaty change, a cut in the EU budget, a fundamental rewriting of the rules on free movement and the right for the House of Commons to veto EU laws must know that those are impossible demands. They make them only to justify a campaign to leave. We have a lot of experience of that in this party. Some of us fought Trotskyist infiltration in the past—and might have to do so again. I urge my friends opposite to avoid being taken in by what are called transitional demands.

Thirdly, the Prime Minister cannot solve everything in his renegotiation. He should look upon it as a pointer to the Europe that he wants to see with Britain at its heart. There is a tremendous opportunity to

[LORD LITTLE]

achieve reform in Europe. The new European Commission set out a very British agenda about deepening the single market, reforming the way Europe regulates and having trade deals with the rest of the world. I would also like to see a strong social dimension in that—others, such as the noble Lord, Lord Hunt, might disagree. The agenda is now one of reform and our Prime Minister, if he wanted, could lead that. As the noble Lord, Lord Jay, said, there is also an opportunity for our Prime Minister to take a much stronger role in using the EU to demonstrate that Britain can still have an influence in the world. With French and German elections coming up, and with the end of the Obama presidency, there is a tremendous opportunity now for the Prime Minister to demonstrate that leadership using our membership of the European Union. I hope that he does so.

Finally, the referendum is basically an asymmetric choice. A vote to come out will be final. If we voted to come out, we would invoke Article 50 of the treaty and in practice exclude ourselves from the EU Council chamber and any of the debate about what Britain's future role with the EU would be. We would be on our own and there would be no way back. One dangerous thing that we have to avoid is people on the other side somehow thinking that a vote to leave is actually a vote for better terms. It is not, and it never can be; it is a vote out. On the other side, a vote to remain is not a vote for the EU status quo. It is a vote for a strong Britain to argue for reform in Europe in the way that Britain wants to see. Therefore, I say to the Prime Minister, "Don't mess about. Get on with it. Take courage in your hands and let's go for this referendum quickly".

12.35 pm

Lord Lamont of Lerwick (Con): My Lords, I wholeheartedly support this Bill. It fills a democratic deficit. As the Minister said, people have not had a direct say on a European issue for more than 40 years. No one under the age of 58 has been able to have such a direct say on our relationship with the European Union. I am pleased that the Opposition are not opposing this Bill, although in the Commons they opposed the previous Private Member's Bill by Mr James Wharton. Nevertheless, I welcome their support for the Bill today.

However, some, like the noble Lord, Lord Little—he and I have often debated this—are quite unhappy. Even if they do not oppose the Bill, they think, as the noble Lord made quite explicit, that it is wrong to gamble with something as big and significant as our membership of the EU, since so much time and capital have been invested in it. To my mind, such an attitude reveals a distrust of democracy. That is and has been one of the weaknesses of the European Union. If there is any blame to be attached to why we are having a referendum, I suggest that it lies with those who promised a referendum on the Lisbon treaty and then went along with converting the constitution into a constitutional treaty, for the obvious reason that they wanted to avoid a referendum. That created enormous cynicism. It was a blatant manoeuvre to avoid democratic accountability and it confirmed the suspicion that Europe is about building a political project regardless

of political opinion in the member states. Of course, Europe today is very different from the Europe that was put to the British people when we last had a referendum—and, indeed, when we joined the EU in the first place.

No doubt we will have intensive discussions in Committee. It has already been clearly signalled from the Benches opposite that there will be amendments about the franchise. I wholly support what the Minister said. If we are going to alter the qualification for voting, we should decide to do that for general elections first; that is when we should consider it. If we want to encourage more participation of young people in politics, let us concentrate on getting the 18 to 24 year-olds involved in the first place before we lower the voting age.

I do think that Clause 6 needs looking at. It is not at all clear why the Government have to disapply any part of Section 125 of the Political Parties, Elections and Referendums Act 2000. I read what Mr David Lidington said in the House of Commons and it is not at all clear what he was worried about and why we cannot have a full purdah during the period of the referendum. Perhaps my noble friend the Minister could give an example of exactly what the Minister and the Government are so worried about that they have to have this only partial application of Section 125. I remind the House that Section 125 is about material that is put out to the whole public. It is not about circulating documents to people who may be affected by some negotiation.

My position on the referendum is that I will wait to see the results of the renegotiation before I finally make up my mind. A renegotiated settlement for Britain that changed our relationship significantly would have much to commend it. I know this will offend some enthusiasts on the other side but, because of our opt-outs from Schengen and the single currency, we are already semi-detached, country club members—associate members. Sometimes I wonder whether Europe, as it goes forward, is not going to leave us rather than us leaving it—in many ways I think that would be a preferable way to proceed. But Europe goes on.

I am somewhat underwhelmed by what appeared in the *Sunday Telegraph* about the Government's apparent negotiating objectives. I know you must not show your hand in negotiations and that an element of bluff is involved, but I thought that you had to bluff your opponents rather than your supporters. That is what worries me a little. I do not think that removing the phrase "ever closer union" will be of great legal significance. It is largely symbolic. I believe strongly that the red card system for national parliaments is not coming out of the negotiations at all. As the committee chaired by the noble Lord, Lord Boswell, has demonstrated, it has been on the table for a very long time already. It is just qualified majority voting by a different route. I do not think that it is enough just to buttress the wall between the eurozone and ourselves. I believe that Britain could survive perfectly well outside the European Union.

Lord Wallace of Saltaire (LD): Does the noble Lord consider that we should opt out of, for example, foreign policy and security policy discussions in the European Union? That is a very important issue.

Lord Lamont of Lerwick: I do not believe that we should have a foreign policy determined by voting. Foreign policy should be intergovernmental. If we were outside the European Union I am sure that one of the things that we could easily co-operate with the European Union on would be foreign policy. The European Union would be extremely ill advised if it did not want us to co-operate with it on foreign policy.

I agree with the noble Lord, Lord Rose, who, before he became leader of the yes campaign, said that he thought that it was a red herring, nonsense and ridiculous to imply that if Britain were outside the European Union we would lose inward investment or that firms would leave this country. The noble Baroness, Lady Smith, did not think very much of the Swiss arrangement, but she must look at the results of that arrangement, whatever she thinks of it. Switzerland, though not a member of the EU, is more integrated with the European Union economy than we are. Its exports per capita are higher than those of this country. The proportion of its GDP that is traded with the EU is higher than that of this country. Contrary to what was said about not having access to the market, Swiss banks and insurance companies operate throughout Europe.

If a man from Mars came and looked at this country's trade statistics, he would find it impossible to identify when we joined the European Union. In fact, the period when our trade increased most with Europe was immediately before we joined. But this is not about just economics but something more. On 7 October, in an ill-tempered exchange at the European Parliament with Mr Nigel Farage, who has his uses, President Hollande blurted out, "Do you really want to leave a common state? That is the question". If he had said that a bit earlier some of us might have written to the Electoral Commission, suggesting that it ought to be on the ballot paper. He said, "Do you want to leave a common state and leave democracy?". What an extraordinary thing to say. We do not want a common state at all. We want to insulate ourselves from increasing integration but we also have to look at the supremacy of EU law. If that cannot be tackled, we need to narrow down hugely the area to which community law applies. That will insulate us from the developments happening in Europe, which are going in a direction that many of us do not support.

I wish the Government well. They will need energy and determination. Once we have the results of that renegotiation, it will be for the British people to decide.

12.44 pm

Lord Teverson (LD): My Lords, I sometimes wonder how we got to this situation. Some of the things that the noble Lord, Lord Lamont, said are absolutely right, about the duplicity that there has been in politics on all sides about the referendum. Having said that, as a Liberal Democrat and someone who, like most of my party, is very much in favour of Europe, wants to see the development of Europe and a successful Britain within a successful Europe, I am hugely disappointed that, during this period of focus groups in politics and trying to find out what people and electorates are thinking when manifestos are put together, Europe peaked at only number 10 or 11 rather than somewhere near the top of the list of electoral issues that people

felt were important. Yet this—not health, the economy or even migration—is the area on which we have a referendum, due to a very hostile press and a strong campaign by a minority of people, particularly in the Conservative Party. So it is a strange place for a democracy to be.

Just to correct something said by the Minister, there may have been lots of referenda elsewhere in the European Union, usually around treaty changes, but none of them was an in/out referendum. On the challenge to us as Liberal Democrats made by the noble Lord, Lord Forsyth, it was of course only when Liberal Democrats were in government, ironically, that we legislated for the circumstances in which there would be a referendum on European issues, which effectively would have been an in/out referendum. So the party can stand fairly tall in that area.

The big challenge of the European Union referendum is that, once we go through the process—first of all winning it, because the consequences of not winning it, as has been said so well from the Labour Benches, will be fundamental and irreversible for Britain's future as a unitary state and its position in the world—we need to make sure that we do not have the situation that we already seem to have in Scotland, whereby people ask for a second, third or fourth referendum. I am sure that those who lose the referendum, if it is lost—or if it is gained but the result is very uncertain, but the vote is to stay in—will still campaign for new referenda. We have to make sure that we do not become a second-class member of the European Union through our negotiations and that, if we win the referendum, there is a determination from the Prime Minister and his successors that Britain takes Europe seriously and we participate as fully as we can, even with the exclusions that we have, and take our role in Europe, in which leading it has to be part. Over the past few years, we have lost that leadership.

As the noble Lord, Lord Jay, said, we can see that in Ukraine; we have not figured at all in those negotiations. It seems a great irony to me that, particularly as soon we will be celebrating and thinking about the end of the Great War in 1918—we are halfway through that cycle at the moment—part of the reason for that war and British foreign policy for many years has been stopping continental domination by a single power. By our having shown that we have a very slight, difficult and reserved position on our role in Europe, we have handed that position to Germany and Angela Merkel. We now have a Europe that is quite unhealthy in terms of German domination. The greater irony, of course, is that this is the last thing that Angela Merkel and Germany want. It is really important for not just Europe's position in the world but our own to make sure that through this referendum, if it is won and we stay in Europe, we fulfil our role there.

Another lesson from the coalition period was when my then colleague, the right honourable Ed Davey, led on much of the negotiations for the Paris treaty on climate change later this year. By fully engaging and leading and working closely with other major European nations, the European Union was able once again to lead in the run-up to those negotiations, and Britain was at the front in getting an EU position. So it can work.

[LORD TEVERSON]

The franchise is clearly going to be a major part of the debate in Committee and on Report. I just looked at the figures in the Scottish referendum and there was something that said that participation among 16 to 17 year-olds was not as great as among people my age—but it was 75%. To me, the interesting thing was that in the age group above that—the 18 to 24 year-olds, the ones who entered politics, if you like, at 18 and were able to vote—participation was only 54%. That shows that if you get engagement early, that is an opportunity for these people to take an interest in the political system. It is important for this referendum, particularly because these people will be affected by the decision far, far more than me and many people in this House.

I also ask the Government to reconsider the franchise for UK nationals abroad. On page 49 of the Conservative manifesto, it says:

“We will introduce votes for life, scrapping the rule that bars British citizens who have lived abroad for more than 15 years from voting”.

That was a manifesto commitment. The Government have an opportunity to do that now and I ask them to comply with the Salisbury convention and make sure that they do not vote against the manifesto of the winning party in the general election.

The only other area I want to mention, which has been highlighted already, is that we do not know what the alternatives are to being a member of the European Union. I have this wonderful device on my iPhone, as, I am sure, do many of your Lordships. It is called TomTom and I can put it up in my car and it guides me to where I am going, which is quite useful because, like many Members, I go all over the country to visit people. If I go off-course or I change course, miraculously this little computer in my iPhone redirects me down the new route to where I am going. There is certainty; I know where I am going and that I will get to my destination. That is absolutely not the case in this referendum and we must make sure that this area is discussed fully.

Finally, when Jeremy Corbyn was elected leader of the Labour Party, the Prime Minister put out a tweet saying:

“The Labour Party is now a threat to our national security, our economic security and your family’s security”.

I thought that was rather pathetic and it demeaned the office of Prime Minister. The fact is, I am afraid, that Jeremy Corbyn is very unlikely to ever become Prime Minister. David Cameron is Prime Minister and the EU referendum affects all those areas of threat. As Prime Minister, David Cameron has a huge responsibility to deliver this referendum positively and I sincerely hope he will be able to do that.

12.54 pm

Lord Tugendhat (Con): My Lords, there are two things on which everybody in this House can agree: that this referendum and its outcome will be very important to the country and that therefore it is incumbent upon this House to do everything we can in Committee and on Report to ensure that, when the Bill gets on the statute book, it is as good as it can be. By that, I mean that it should be formulated in such a way as to provide the British people with the basis on which to make a clear, well-informed and objective choice.

I hope, too, that both sides of the battle will respect the patriotism of the other. The tendency for people to accuse the other side of being unpatriotic has always been a rather disagreeable aspect of debates on Britain and Europe. I certainly believe that it would be profoundly damaging to this country’s short and long-term interests to leave the European Union but I know that those who want to take us out believe the contrary and that they are as devoted to the well-being and strength of this country as I am.

I start with a general point: the Prime Minister should be given time to conduct these negotiations with other member states as he thinks best. He won an election and earned a right to our trust. When he completes his negotiations, the country can judge for itself what he has achieved. Those negotiations should be conducted not in public but in private. Once the Prime Minister secures whatever deal he believes is the best that he can, the public should be given the opportunity to cast their vote on it. When that result is known, there should be no hanging about. As we saw in Scotland, referendums cast a long shadow. The period of uncertainty should be as short and the referendum called as quickly as possible. I would like to see it called next year. My principal point is that once the negotiations are completed, it should be called as quickly as possible thereafter.

It is important that the British public should be as well informed as possible on the implications of the alternatives. This is not just a simple question of in or out. People need to know what the implications are of changing the status quo. In Scotland, one of the weaknesses of those who wanted to break with the United Kingdom was that they were unable to answer a host of questions about what that would actually mean. They could not even answer the questions on the currency. In this referendum, which is just as important for the United Kingdom as a whole as the Scottish referendum was for the people of Scotland and the rest of the United Kingdom, it is absolutely essential that people should know in detail what is involved in coming out in terms of the legislative changes that will be required and of our trade with the European Union and with third countries with whom we have trade agreements signed as part of the European Union. We need to know what the implications will be for the free movement of British citizens within the European Union. We need to know what the impact on the scientific research programmes and universities in this country will be. We need to know what the budgetary implications will be, and a host of other things. This is something in which people need to see both sides of the balance sheet. If there is to be a change in the status quo, people need to be as well informed as possible on what that involves. Her Majesty’s Government have a duty to provide that.

Turning to the franchise, it is right that it should be for the British people to decide. I agree with the Minister on that point. It would not be right for other EU citizens to be able to participate in this referendum. However, by the same token, I do not particularly see why Pakistanis, Zimbabweans, Australians or Canadians should be able to participate in it, either. I sought advice from the Library and I find that if Australia, Canada or New Zealand—to take three monarchies within the Commonwealth—hold important referendums,

British citizens resident in those countries are not able to participate, and I do not particularly see why we should. If the Australians are having a referendum on the monarchy, that is their business and not ours; and if we are having a referendum on whether to stay in the European Union, that is our business and not theirs. If the Minister believes that it is important that this is a British issue for British people, I hope that she will do something about the non-British people who are at present able to vote.

The other point that I want to make refers to the 16 and 17 year-olds. We have a very interesting example before us in Scotland. My impression is that it worked well. I do not agree with those who say that if there is to be a change in the voting age, it should be introduced for general elections rather than for referendums. General elections are about the next five years. This referendum is certainly for the next generation and perhaps for very much longer. It does, therefore, touch the 16 and 17 year-olds very precisely. I will listen to the arguments but I incline very much at the moment to support those who would extend the franchise to 16 and 17 year-olds.

I look forward to playing a part in the battle ahead. I look forward to putting the case for Britain in Europe to the people of this country. I look forward to showing up what I believe are the weaknesses in the case put forward by those who want to leave. I know that we have a fight on our hands. I take nothing for granted. However, I am confident that in putting forward the case for Britain to remain in Europe, I am putting forward the case for the best interests of Britain and the British people.

1.02 pm

Lord Harrison (Lab): My Lords, I remember the 1975 referendum, and at the time it was much criticised for being unconstitutional and outside the traditions of the United Kingdom. Indeed, I think it was the brainchild of Anthony Wedgwood Benn—or, as he was fondly called by my Conservative opponents in those days, Viscount Stansgate. I believe that that criticism is still valid. The noble Baroness, Lady Anelay, made a valiant effort to counter the fact that it is a largely non-parliamentary approach. The better approach, in my view, is the parliamentary discussions that we have in this Chamber and at the other end. The cry that you hear from time to time that this has not been properly debated is simply wrong. The subject of the European Union has featured in just about every general election that I can remember. I well remember that William Hague—soon to be Lord Hague—foundered in 2001 by basing his campaign on saving the pound.

The noble Baroness, Lady Anelay, must understand that it is not right to invoke our Irish colleagues, who have habitually, as part of their parliamentary process, used referendums from time to time. Nor is her aspiration right that a referendum will achieve a final say; I very much doubt that that will be the case. I look no further than the recent Scottish referendum. Most of us feel in our bones that there will be another coming along soon. Referendums, for the most part, seldom answer the question.

On the technical points, I agree that 16 and 17 year-olds, whose future we are here debating, should be part and parcel of the process, and I hope that the Government

will think again. I also add to the questions asked by the noble Lord, Lord Tugendhat, recognising that there are various constituencies in the United Kingdom. For the past few years I have had a very real interest in financial services in this country. What of the 300,000 or so French people in this country, most of whom work successfully in the financial services sector?

The referendum is simply the wrong approach. I shall illustrate that. I recently chaired a meeting on the mortgage credit directive and I was surprised how reluctant our financial services were—it was backed by a speaker from the Financial Conduct Authority—to see the opportunities in the single market for our highly developed mortgage credit industry to penetrate the single market of 28 countries. Colleagues were surprised when I made that point.

Our habitual stance is defensive. We worry that we will lose something by conceding to other colleagues—the other 27. The truth is, if you go as a group of friends to the cinema, somebody chooses the film one week and somebody else chooses it another. That is the way that friends, colleagues and companions work. It is the sensible way that is recognised by most of us. I note that the noble Lord, Lord Boswell, will speak later in the debate. In his pivotal position I am sure he will know, understand and recognise when I say, on a recent parliamentary visit to Romania, they were astonished that we were contemplating leaving the European Union. I am sure that that is replicated by the noble Lord's experience.

We also adopt the wrong tone. When Mr Juncker was proposed as Commission president, we found ourselves with the Hungarians as the only other one opposed. Why, for goodness' sake? When we recently had in 2011 the budgetary discipline Bill, which was to be incorporated in national states throughout the European Union, we again prevented our 27 colleagues from achieving that.

The referendum comes at the wrong time. We propose to finish this by late 2017. That is when the French and Germans will have major elections, and, folly upon folly, when, in the second part of 2017, we will hold the UK presidency. We have recently passed a law that will prevent a UK Minister coming out and explaining to the people what was discussed and decided, because of the idea of *purdah* that should be laid across us and which was encouraged by the noble Lord, Lord Lamont. How strange.

What do the Government actually want: ever closer or ever looser union? It is very unclear. They also say from time to time, when they lift the curtain, “We'd like greater work done between the national parliaments”—of which we are a major chamber—“throughout the European Union”. No one can disagree with that, but physician, heal thyself: just look to the other end of this corridor and see how poorly we understand, scrutinise and develop European Union strategies—except, of course, in the House of Lords, which is, in its European Union Committee, pre-eminent in studying these things carefully.

We also say that we are opposed to the red tape that is supposedly launched on us. Timmermanns, deputy to Juncker, has been given the job of preventing useless proposals coming to the EU. In this country, we know

[LORD HARRISON]

that UK gold-plating encourages red tape. You never hear the argument made by a Minister that the biggest slasher of red tape to help businesses is the project of the single market of the European Union. That is the attempt to reduce from 28 different sets of legislation to an understandable single set which is then promoted. Who is the author of that but a noble Lord who sits in this House, Arthur Cockfield?

There is one other exception apart from Schengen that we do not recognise in this country. We are the only monoglots in the European Union. Everyone else has to learn English. We have to make a better effort at understanding other countries, in making sure that we communicate better with them, by not always using the English language. It would be a great benefit to David Cameron if he could speak a few words of other people's languages.

1.11 pm

Lord Lawson of Blaby (Con): My Lords, I can certainly speak another language: my home is in France, so I can tell the noble Lord that all is not lost.

I start by saying that I warmly welcome the Bill and warmly commend the Prime Minister for saying clearly that fundamental reform of the European Union is needed. So far, it is not entirely clear what reforms he has in mind. Perhaps my noble friend will tell us in her wind-up speech today. The problem is that if it is not made clear, it will come to be believed—quite wrongly, I am sure—that he is engaged in a fishing expedition and that whatever fishes he happens to catch, whatever tiddlers they may be, he will say that that is what he always wanted. It would not be good for the negotiation if that impression were to get about.

The bottom line is that the European Union is a political project, not an economic project. That is not a disgrace, but it is a fact. It is a political project known as “ever closer union”. It is a project which we do not share. The Prime Minister says that he wishes to have an opt-out from ever closer union. In a sense, we already have one. The fact that we are not members of the eurozone—we have retained our own currency and have not accepted the euro—shows that we do not accept it, but actually an opt-out for the United Kingdom, even if it is formally stated, is totally meaningless. What is needed is for the European Union explicitly to resile from ever closer union—the creation of a united states of Europe—as its objective. Otherwise, as long as the European Union maintains this objective, there will continue to be European Union legislation to which we are subject, whether or not we formally have an opt-out from ever closer union. That is a meaningless phrase.

It should not be too difficult for the European Union to resile from that objective because, although it is profoundly desired by the European elites, it is not desired by most of the peoples of Europe. Indeed, one of the least attractive and most pronounced characteristics of the European movement is a contempt for democracy. The existence of a democratic deficit within the European Union has been well acknowledged on all sides.

Of course, there is a counterpart to this democratic deficit, which might be called a bureaucratic surplus. It is a particular problem for this country. The regulatory

burden imposed by membership of the European Union in the case of the United Kingdom has been calculated to cost something like £25 billion a year. That is a huge burden and no economic advantages outweigh it. I have no doubt that overall the European Union does more harm economically than good for member states as a whole, not just for this country. That is perhaps not surprising because, since it is a political venture, whether there is an economic benefit would be purely coincidental. You only have to look at the performance of the European Union, particularly the eurozone, to see that it has not been a howling economic success.

It is said that by leaving the European Union we would still be bound by European Union regulations but would no longer have any influence over them. That is tosh for two reasons. First, while we have never had as much influence over European Union regulations as we fondly believe, since crossing the watershed of the creation of the eurozone our influence is dramatically diminished and will diminish further. There is now a eurozone bloc vote, which means that we have been and will continue to be overruled time and time again. Secondly, 85% of our GDP has nothing to do with the European Union. Our exports to the European Union are roughly 15% of our GDP, and the other 85% is either the domestic economy or exports to other countries. Although we would certainly have to accept European Union regulation when trading with the European Union—just as we must accept American regulation when trading in the United States, which our banks do a great deal—the great bulk of our economy would not be bound by this morass of European Union overregulation.

It is also said that outside the single market we would be unable to export to the European Union. Of course, that, too, is tosh. Exports to the European Union from outside it have in fact, over the past five years, increased by twice as much as exports from the United Kingdom to the rest of the European Union. In any event, I have little doubt that outside it we would be able to negotiate a free trade agreement with the European Union. The United Kingdom even now is a £300 billion a year market for the rest of the European Union. That is exactly the same as the rest of the European Union sells to the United States. We are massive, and that is why comparisons with Norway do not really apply. We would do a far better deal than Norway could because of the size of the UK market, which is so important to the rest of the European Union.

I recall that many people in business and banking said that if we did not join the euro and stayed with sterling it would be a disaster for the United Kingdom. They now say exactly the same about membership of the European Union. The same suspects say exactly the same thing. They were wrong then and they are wrong now. Let us not be afraid. There will be a whole lot of scare stories. We have heard some today. Above all, let us not be little Europeans. Let our horizon be global. The future growth of the world economy is going to happen much more outside Europe, as countries in Asia, Latin America, Africa and elsewhere grow faster as they gradually catch up with the western world. We in this country have better worldwide links because of our history—and, to some extent, the language, but they are interconnected—than any other country in Europe.

Let us concentrate on them. The time has come to rediscover our national self-confidence, to abandon a political project that we do not share and to embrace a global future.

1.20 pm

Lord Tyler (LD): My Lords, in the limited time available I want to concentrate on the franchise proposed in the Bill. Last Friday, as part of the Lord Speaker's outreach programme, I spent an extremely interesting hour with the sixth form at Sir Thomas Rich's School in Gloucester. The students were articulate, informed, inquisitive, mature, enthusiastic, committed and challenging—above all, they were clearly ready and willing to be full citizens in our democracy. In short, they were typical 16 and 17 year-olds. They were more knowledgeable than many of their 60, 70 or 80 year-old fellow citizens and they were quite ready to compete in debate with Members of Your Lordships' House. Indeed, I think they would well match the noble Lord, Lord Lawson of Blaby.

I see that the noble Lord is in robust good health but I venture to suggest that the young citizens in Gloucester are likely to have longer experience of the outcome of this vote than he will. That is the big difference. When it comes to the referendum on the future of this country—as part of the European partnership of nations or adrift in the Atlantic—this age group will have a far greater personal, long-term interest than most of us here. It is unthinkable that they should be refused a vote. I do not have much time but I will give way to the noble Lord.

Lord Lawson of Blaby: I think it is deplorable or regrettable to have it suggested, as has been done on a number of occasions, that those of us of a certain age are not concerned about the future. Most of us are deeply concerned about the future, particularly those of us who have children and grandchildren.

Lord Tyler: I agree entirely with the noble Lord and I am absolutely concerned about the future of my children and grandchildren, as I am sure are other Members of your Lordships' House, but that does not in any way weaken my point.

It is unthinkable that these young people, whose future is so much at stake, should be refused a vote. The Intergenerational Foundation has pointed out already how top-heavy our democracy is—as is, indeed, our demography. The argument that has been used in the past, that this age group is immature, ill-informed and not interested, is belied by the hard facts of 18 September 2014, which put paid to those objections. As noble Lords will know, the then Secretary of State for Scotland, my right honourable friend Michael Moore, negotiated the inclusion of this cohort in the franchise for the Scottish referendum. He persuaded his colleagues in the coalition Cabinet that this was a choice of such long-term significance—with little likelihood of early review or reversal—that they had to be involved.

They rose to the challenge: 109,593 registered, 75% of them voted and already the comparison has been made with the 54% of the later age group of 18 to 24 year-olds who turned out and the 72% of those in the 25 to

34 year-old cohort. As has been said often in this House, they debated the issues with great intelligence and personal integrity, ignoring vested interests. One of the best witnesses of that is the leader of the Conservatives in the Holyrood Parliament. Moreover, they seem to have voted with more balance and maturity, rejecting the myths of the separatists, unlike many middle-aged men in Scotland.

Ministers in both Houses have failed so far to produce any rational objection, having accepted it in the Scottish case, to the inclusion of these new citizens in the decision-making process. This morning I reread the *Hansard* for the debate in the other place and searched in vain for any explanation for this extraordinary position. The most moving speech in the other place was by Dr Sarah Wollaston, the Conservative Member of Parliament for Totnes, who argued that there should be a free vote on this issue. I noted today that a number of noble Lords in other parts of the House thought that might be appropriate. I hope that the Government will think very carefully about that.

Even in your Lordships' House, this argument has been accepted on the similar referendum in Wales—that it should be on that extended franchise; with the help of my noble friend Lady Randerson, the coalition Cabinet agreed. More recently, on 15 July in this House, we accepted the strength of the case in relation to local authority elections by voting for the amendment that I moved to the Cities and Local Government Devolution Bill, with a majority of 221 to 154. Of course, it has already been fully enacted for local elections in Scotland.

I have no doubt that the claims of EU citizens working and living here, together with UK citizens working and living in other EU countries, will be successfully argued in the coming weeks in your Lordships' House. I hope so. Our conference a few weeks ago overwhelmingly voted for an amendment, to which I spoke, to support them.

However, the clearest case of all is that of young citizens whose future will be so dramatically affected by the huge implications of the referendum decision. Is this choice any less long term in its significance than that on the ballot paper on 18 September 2014 in Scotland? I dare Ministers to explain why Scottish and Welsh 16 and 17 year-olds are mature enough, interested enough and well informed enough to be allowed to vote for their futures but their English and Northern Irish counterparts are not. Ministers are fond of citing the essential elements that keep the United Kingdom united. What could be more significant than that solid building-block of our democracy, the franchise? Surely that is one of the things that holds the United Kingdom together. Can they really justify one electorate for Scotland and Wales and another for England and Northern Ireland?

The noble Baroness, Lady Anelay, said at the beginning that what is in the Bill is a starting point and basis for the franchise. I put it to your Lordships' House that we have to move from that starting point into a much more logical and rational position. It is unthinkable that Ministers should ignore the hint that even the Prime Minister has given that we will have to move in this direction, and I hope that they will recognise that they should accept the inevitable.

1.27 pm

Baroness Oppenheim-Barnes (Con): My Lords, I know that I am right in saying that I am the only living Conservative remaining who voted against joining the Union in 1971, when the decision was taken in the House of Commons on the principle of joining. The Government of the day had a huge majority in favour; a few months later, on the Bill itself, that was diminished to a majority of four. So I think that I have the right to say, “I told you so”, because everything that I feared has, little by little, turned out to be more or less right. I did not take that stand lightly; I held a full referendum in my constituency, which I paid for, which was overwhelmingly against joining. A great deal of argument had gone on, on both sides, before the vote was taken.

I was not satisfied just to go by the result of the poll because that would not have been democratic, in my view. I then visited the four major cities and four different members to speak to people—they were twinned with Gloucester at the time—to find out about them and see what their views were of living in what was then a fairly new form of government. It is a form of government because it governs us and does so throughout. The most important thing to be established before any referendum takes place and before the Government give any advice about the outcome of the negotiations is to know what bottom line they are negotiating for. They need that to be known by those who oppose them. That is the fundamental requirement before the whole referendum takes place.

I fear that so many of the things that one dreaded happening have happened rather quietly and through the back doors. There have been endless, ghastly regulations, debated for long periods in the common market itself and then negotiated once again in this country for long periods, none of which has brought any benefit to the people of this country. There have been stupid regulations. In a recent one, especially at a time when payday loans are such a problem, it was forbidden in regulations to put the cost of the loan in money figures. It had to be done only by means of the AER. How many Peers could stand up at this point and say what the AER is? I cannot see any volunteers. That meant that people entering into small loans could not see the actual cost of the loan in money terms. We renegotiated and renegotiated over years, and at last we can now put the actual cost of a payday loan, although we can do it only on the basis that it is printed in letters smaller than the printing of the AER. That is just typical. It is not in itself a huge issue or one of the great things, but I assure noble Lords that there are many more such stupid regulations that we have had to adopt over the years.

The stupid assumption that this has been some huge advantage to us in terms of trade has been waylaid by my noble friend already, who said that in fact probably less than half our total imports and exports are affected by the European Union. I understand that at the moment we are negotiating for a special trade agreement with the United States. I am sure that if that were achieved it would be of great value to this country, if not exclusively, and would certainly sit alongside our membership without any problems whatever as the two would not cut across.

At this stage, I do not know whether I want a come-out solution. Nobody knows that because they do not know what will be achieved at the end of the negotiations—or even what they want to be achieved. It is quite right that that should be an open decision throughout people’s prospects. So many people we have known for years and who have not had strong feelings now say, “I want to come out, I only want to come out and there is no other thing that would be satisfactory”.

I personally identify very much with all the views strongly expressed by our Foreign Secretary, who was here earlier. They give very little way to anything other than what I imagine we want as our bottom line. I will want them to be adhered to throughout negotiations of such importance. Finally, I congratulate this Government on being the first one since the inception of the Union, since the early vote when I voted against, to give this country the opportunity to see what we have gained, what we have lost and what we can improve—and, if we cannot improve it, get out. My congratulations remain firmly with the Government.

1.35 pm

Lord Elis-Thomas (PC): My Lords, I begin by declaring an interest as an elected Member of the National Assembly for Wales who is married to an interpreter accredited to European Union institutions in pursuance of its co-official languages provision.

I warmly welcome the referendum and particularly the debate that will happen throughout the United Kingdom as part of it. After all, on this Bench my noble friend and I are veterans of at least three referenda on devolution and a possibly even more significant one on the opening of licensed premises on Sundays in parts of Wales that we both represented. I can also say that the question is absolutely unambiguous in both official languages of the National Assembly for Wales.

We will support any amendment which enfranchises 16 year-olds. We obtained that concession on the Wales Act before the Westminster election. It is totally inappropriate that there should be a different franchise between a referendum on one issue and a referendum on another.

Like my noble friend, I am a veteran of the 1975 referendum, where I must confess publicly—not for the first time—that I voted on the wrong side. I see that the noble Lord, Lord Hunt, for whom I once worked in pursuance of his bilingual policy, is surprised by that. In those days, the party of which I am still a loyal member in this House and elsewhere had a strange slogan, which I am sure my noble friend will remember. We had a car sticker which read, “Europe yes, EEC no”. I believe that it was subsequently withdrawn because it was not clear to the electorate what it might mean. My noble friend was on the right side in those days, being more perspicacious than I was. I have tried to make up for it since.

Renegotiation is not a one-off process. It was not something that happened in 1975, then occasionally when there were treaties to be agreed later and is happening again now. The European Union is constantly in a process of negotiation. I remember very clearly, after voting on the wrong side in 1975, my first visit to

the European institutions as an elected Member from down the corridor. I met Irish colleagues and was laughed at out loud for taking such a view. My experience as an elected Member here in Westminster and in Cardiff is one of strong, continual co-operation between elected colleagues in the Republic and in the north of the island of Ireland. Particularly in the area of agriculture and fisheries, they have common policies which are part of a renegotiated European policy. Being able to work alongside other parliamentary and Assembly colleagues in different regions of Europe has been the most pleasurable part of my life—apart from coming to this House, of course; I have to say that.

Before devolution, led most ably by Peter Walker when he was Secretary of State for Wales and by other Secretaries of State, there was a policy that ensured that Wales was alongside much more powerful so-called “motor regions” in the European Union. Welsh local authorities played a key role. The National Assembly is now an active member of the Committee of the Regions. My colleague, the reverend Rhodri Glyn Thomas, will be delivering an opinion yn Gymraeg—that is, in the Welsh language; as I mentioned, the Welsh language is a co-official language—on marine energy in the Committee of the Regions this week. During my period presiding over the National Assembly, I was privileged to be part of the standing conference of European regional assemblies, where we shared experiences of our constitutional framework.

The renegotiation in the previous Parliament—the current Assembly for us—of the common agricultural policy and the common fisheries policy is a very good example of the way shared competences, even exclusive competences, of the European Union are constantly reconsidered, re-examined and redeveloped. This is the way the Union operates. On energy policy and the environment, on the major question of climate change and on transportation we have this understanding of the need to create a European infrastructure. This applies across the Union.

The current renegotiation is but part of a story. Let us not delude ourselves that this will be the final decision. In the development of constitutions there is no such thing as an end game. Constitutions in democracies continually develop and redevelop. It is because of that that participation is the key issue: discussion and debate. This is how these unions develop.

For me, perhaps the most important aspect of the debate about the relationship between the United Kingdom and the European Union is the debate on identity and nationality. I wear a badge constantly—it is my anti-UKIP device—which has the European Union flag and, of course, the red dragon of Wales, currently much displayed on the football and rugby fields. I have to say that because I suspect that my colleague is on his way to support the national team tonight. No doubt, that is why I am speaking in this debate.

The identity of Wales is of a European region: a nationality within the United Kingdom and within the European Union. When I presided in Cardiff and chaired the Assembly Commission, I had one major responsibility—for flagpoles. I ensured that we had four flagpoles, one with the logo of the Assembly, and others with the European Union flag, the United Kingdom flag and

the red dragon. The key thing about those flags is that they always flew at the same level. For me, identity is pluralistic. I am not a member of a particular nationality; I am also a Welsh European. I believe in subsidiarity and in sharing competences and understanding. That is nothing exceptional. It is the world that I was born into in 1946. I want to ensure that it will be the world of my grandchildren as well.

1.43 pm

Lord Forsyth of Drumlean: My Lords, it is a pleasure to follow the noble Lord. I noticed that in her opening remarks on behalf of the Liberal party, the noble Baroness, Lady Smith, said that we could be Norway or Switzerland. I say to the noble Lord, let us just be Britain and make a success of Britain in a global marketplace.

I congratulate my noble friend the Minister on bringing forward the Bill, which gives the British people the opportunity to decide this question, which has been denied them by the parties opposite for far too long. Her timing is particularly brilliant, for, had she lived, this would have been Baroness Thatcher’s 90th birthday. I have to say to my noble friend Lord Hunt, whom I served as a Minister of State—he was one of the best Secretaries of State I worked for, if not the best; I learned a great deal from him—that I do not think that had Lady Thatcher been here today he would have gone in for the selective quotation that he did in his speech. I am not quite sure how she would have reacted to being described by—what are they called? The BSE campaign, an odd choice of name—Britain Stronger in Europe as a quitter. I am not sure that Margaret Thatcher ever was a quitter.

On the subject of quitters, when the campaign was launched yesterday a number of Members of this House were present—my noble friends Lord Rose and Lady Brady, and the noble Lord, Lord Mandelson—decrying the quitters. Well, they seem to have quit the field today because they are not here to make their case, which is absolutely extraordinary. The noble Lord, Lord Rose, talked about leaving the community being, “a leap in the dark”.

He certainly knows about big leaps because he has leapt from being involved in Business for Britain to being involved in business for Brussels. A rose by any other name does not smell as sweet in this case.

Noble Lords: Oh!

Lord Forsyth of Drumlean: But it was nice to see Mr Blair and Mr Brown united on something, was it not? Of course, we all owe Mr Brown a great debt because if Mr Blair and most of the other people who are involved in this campaign to keep us in the Union had had their way, we would be in the euro, our economy would be on its back and millions of people would be unemployed. The euro has proved to be the engine of destruction of the jobs of young people throughout Europe. The extraordinary thing is that it took until last week for the noble Lord, Lord Mandelson, to finally admit that he was wrong about the euro, while defending it in the face of all the tragic evidence before us of what a disaster that has been—a disaster because it is a project that has been driven by political expediency rather than the needs of the European peoples.

Lord Dubs (Lab): Just to have the record straight, it was Gordon Brown who kept us out of the euro.

Lord Forsyth of Drumlean: That is exactly what I said. The noble Lord will be speaking later in the debate and I urge him to listen to some of these arguments in the hope that he may be converted as a result.

Of course, the other person who was there on display was Danny Alexander. I am told on good authority—I have read it in the newspapers—that Mr Brown and Mr Blair, and indeed John Major and Danny Alexander, have been offered places in this House and have turned them down. Instead, they prefer to argue outside Parliament. Is that because they realise what all of us in this House realise, that Parliament is becoming increasingly marginalised and what we decide here does not matter because it is done by unelected bureaucrats in Brussels? That is the most important point that my noble friend Lord Lawson made. This is an argument about accountability, the authority of Parliament and Britons' ability to take decisions for themselves.

I absolutely agree with my noble friend Lord Lawson about the scare stories that came out around the time of joining the single currency. Do your Lordships remember? Frankfurt was going to become the financial centre of Europe if we did not join the single currency. My noble friend Lord Tugendhat talked about the Scottish referendum. In the Scottish referendum we started off with only 28% in favour of independence. We ended up with 45% being in favour of independence because we stupidly ran a campaign in which we told the Scots that they were too small, too wee and too poor to be able to be independent. We threatened them with scare stories. Far be it from me to give advice to those who wish to stay in Europe but if they campaign in this way they will drive people into the other camp. British people are not going to be told that they are too little and too lacking in enterprise and ability to be able to make their way in a global world, where they see a European Union which cannot even manage its own borders, let alone its own money.

Very disappointingly for those who wish us to stay in the European Union, we heard that the Labour Party was unanimous—it is amazing it is unanimous on anything—at its party conference on the idea that it would vote to stay in regardless of the negotiations. We heard the same from the Liberal Back Benches. What kind of negotiation is it that you go into battle waving a white flag? It is extraordinary that they should say, "Whatever you agree to, we are going to vote for it". I have never heard such nonsense.

Turning to the Bill, my noble friend very kindly agreed that she had given an undertaking in cross-party meetings throughout the House. Might I suggest that those undertakings given by her and Ministers in the other place should be put in the Bill so that there is no doubt whatever about the Government's commitment? I look forward to hearing the arguments against that in Committee. One of the most important was that we would have four months' notice of a campaign which would last 10 weeks. I also urge my noble friend to consider producing a White Paper setting out the results of this negotiation, whatever it is about. I know that the ever closer union features in it. I voted for the

Maastricht treaty—none of us is perfect. One thing that persuaded me to vote for it was that John Major was able to change the terms and get us various opt-outs, substituting "ever closer union" for "federal union". So those words were put into the treaty by us to mitigate it, and we are now told that getting those words out of the treaty will somehow deliver a new paradise. It is nonsense.

Clause 6 effectively gives the Government the power by regulation to reinstate purdah; it enables them by regulation to change the rules regarding purdah, which could get us back to a situation where purdah did not apply. In the Bill as it stands, purdah does not apply to Scotland or the European Union. So are we going to have Nicola Sturgeon and Alex Salmond campaigning, using public money in Scotland but not in the rest of the United Kingdom? That loophole needs to be dealt with, as does the loophole that purdah applies only to publications and not to government advice.

Finally, on the subject of Scotland, can we scotch the myth that if Britain votes to leave the European Union, somehow the United Kingdom will dissolve? All the evidence is that the Scots follow the English on this matter. If Britain votes to leave the European Union, Scotland will. Those who say that it will precipitate a referendum should look at what Nicola Sturgeon is saying this very week—that a referendum on Scotland's independence is inevitable. Once it was "once in a generation", and then "if there is a change of circumstances"; it is now, "it is inevitable"—and it is inevitable, she says, when she thinks that she can win it. So let us leave Scotland and the United Kingdom out of this and as a United Kingdom work together for Britain's interests, which do not lie in remaining in this failed state that is the European Union.

1.53 pm

Lord Radice (Lab): I congratulate the noble Lord, Lord Forsyth, on his usual, vigorous House of Commons speech. He made it with great skill and a lot of very good jokes. I also refer to the 1975 referendum, mentioned by a number of noble Lords. I want to draw three lessons from that earlier referendum, which may possibly be of relevance to us today. The 1975 referendum was the brainchild of Tony Benn, as the noble Lord, Lord Harrison, said. When the Prime Minister, Harold Wilson, first heard that Tony Benn was talking about a referendum, he called him in and said,

"I understand you are suggesting a plebiscite on the Common Market. You can't do that".

However, as the row inside the Labour Party over Europe grew in intensity, Wilson changed his mind. He turned to the referendum as a means of uniting a divided party—yes, we were divided—and remaining in the EU. As the Foreign Secretary, Jim Callaghan, had predicted, it proved to be a useful "rubber dinghy".

David Cameron was against an in/out referendum in October 2011. He argued that such a complicated issue could not be reduced to a simple choice. He even imposed a three-line Whip against a Tory Back-Bench Motion in favour of an in/out referendum. However, under pressure from Euro-sceptic Tory MPs in Parliament and from UKIP outside, in his Bloomsbury speech of January 2013, Cameron committed the Conservative Party to such a referendum. The conclusion that I

draw from this bit of history is that both Wilson and Cameron had a referendum imposed on them not so much by a democratic groundswell from below but by pressure from within their own parties. That is the reality. Let us not be too high-minded about all this.

Secondly, on the renegotiation of the terms of entry, in 1974-75, Wilson's tactics were to renegotiate the terms of entry. I remember it very well because I had just become a Labour Member of Parliament. The German Chancellor—we clearly always turn to the Germans when we are in trouble; it was Helmut Schmidt then—was able to help secure a renegotiation. In March 1975, as I am sure the noble Lord, Lord Kerr of Kinlochard, remembers, Wilson and Callaghan announced that negotiations had been finalised, and highlighted an important deal for New Zealand lamb and butter and the way in which the UK budget could be related to the gross national product. I admit that this then had to be renegotiated by Margaret Thatcher.

My point relating to David Cameron is that, significantly, Wilson did not pretend that the negotiations had been a complete success. He claimed that he had achieved significant improvements and, on that basis, asked the British to vote in favour of remaining in the Community. I think that David Cameron has been reading back on this history. He appears to be following much the same path as Harold Wilson. He assured his party that he was negotiating a new settlement with our European partners. It is true, of course, that nobody, least of all our partners, is entirely clear what the new settlement entails. I think that, for understandable reasons, the Prime Minister does not wish to reveal his hand, least of all to his own Eurosceptic Back-Benchers, because we know exactly what they would do if he revealed this. However, we have the benefit of the *Sunday Telegraph* of 11 October, where it was suggested that there were four areas which the Government, again with the help of their German allies led by Angela Merkel, hoped to make progress. The four areas mentioned were: a UK exemption from the commitment to an ever closer union—we have mentioned that already; a statement that the euro was not the EU's official currency—that is clearly a bow to the pound; a new "red card" system for national parliaments; and protection for the City of London and our membership of the single market. Like Wilson, Cameron has had to accept that there are not going to be any early treaty changes.

It is quite clear that it is going to be very difficult for David Cameron to represent a package along these lines as a complete success, given the way the terms have been ratcheted up all the time by the Eurosceptics. But if Cameron follows the Wilson example of claiming only a limited victory—that is what I advise him to do—and follows this up, like Wilson, with a call to vote for staying in, this could in fact be an effective approach if, as I think, he wants to stay in.

In any case, in 1975, it was not so much the detailed but more the fundamental questions that decided the two-to-one outcome in favour. The British people voted to remain in partly for economic reasons and partly for political reasons. They believed that staying in would give us greater influence, while outside we would have little say in European affairs; and I think

they were right. In other words, outside we should be clinging to the shadow of British sovereignty while its substance had flown out of the window.

As in 1975, I predict that whatever we hear from the boffins of the Eurosceptics such as the noble Lord, Lord Lawson, these more fundamental issues will decide the referendum. Those of us who wish to stay in will emphasise the benefits of the single market. That will be an absolutely key issue. Secondly, we will also emphasise the additional clout which being a member of the EU brings to this country. Incidentally, the reason that the TTIP negotiations are going on is because we are a member of the EU. It is the EU that is negotiating TTIP, not Britain alone. We will also point out that those who want to leave have totally failed to offer a credible alternative—I am sorry, but I have not been convinced by anything I have heard in this debate. We are told by the noble Lord, Lord Forsyth, that a "no" vote would not risk the break-up of the UK as well. I wish I was as certain as him on that, but of course he is an expert on Scotland and I am not.

In conclusion, the British people, when they consider these deeper, vital questions, will, as in 1975, vote to remain a member of the European Union.

2.01 pm

Lord Shipley (LD): My Lords, when we debated the Private Member's Bill in the last Parliament, I made a number of contributions on matters relating to the franchise. It seemed to me that who would be entitled to vote was a very important matter and that simply to use the parliamentary register raised some questions of principle.

Clause 2 of this Bill confirms that the referendum will use the parliamentary franchise, although with some additions, as did that Private Member's Bill. A vote will go to: British citizens living in the UK; Irish citizens resident in the UK; citizens of Gibraltar; Commonwealth citizens who meet the residency requirement for registration as an elector in the UK; British citizens who are overseas voters using their entitlement to register as overseas voters for up to 15 years after leaving the UK; service voters; and, now, Members of the House of Lords. In addition, Commonwealth and Irish citizens who would be entitled to vote in European elections in Gibraltar are also entitled to vote in this referendum.

This means that citizens of other EU countries resident in the UK who are eligible to vote in local government, devolved legislature elections and European Parliament elections may not vote in this referendum even though they were able to do so in the Scottish referendum last year if resident in Scotland. To add further complexity, EU citizens from Cyprus and Malta resident in the UK can vote as Commonwealth citizens even though they cannot vote as EU citizens. In addition, Irish citizens resident in the UK can have a vote even though they are not in the Commonwealth.

I have come to the conclusion that all UK passport holders living outside the UK and at the very least those now living elsewhere in the EU should have the right to vote in the referendum, however long they have lived outside the UK. At present, a 15-year limit applies. The reasons for that number of years seem

[LORD SHIPLEY]

arbitrary. Indeed, the Government recognised this and made it clear that they are committed to abolishing the 15-year rule. I welcome that but cannot understand why the votes for life Bill cannot pass the legislative process in time to enable those restricted by the rule to be able to vote. Surprisingly, I read that a Downing Street spokesman confirmed that the 15-year rule will remain in place for this referendum even if the votes for life Bill is passed before the referendum takes place. So the legislation would be in place but would not be implemented for this referendum, which is now likely to take place in 2017—up to two years from now.

I hope that the Minister in replying will be able to explain whether a clear commitment from the Conservative Party manifesto is to be jettisoned for this referendum when there is time to implement it.

There is a further issue of principle. On balance, I think that Scotland was correct to extend the right to vote in last year's referendum to resident non-UK EU citizens. If I have a criticism of the decision, it is that it excluded all the Scottish voters who lived outside Scotland. That is because the parliamentary electoral register was not used. I should have preferred that both registers were used.

I accept that, in 2013, the European Parliament reported that EU countries did not permit the right to vote to other EU citizens in their national elections. The UK and Ireland were the exception to that, with nationals being able to vote in the other country on a reciprocal basis. The UK was also exceptional given that it permits votes for resident citizens of Cyprus and Malta as Commonwealth citizens. In a further piece of work, the Citizenship Observatory surveyed electoral rights in EU member states, and it seems that other EU member states do not grant foreign nationals a vote in national referendums either. If the UK took the same line, it would of course prevent Commonwealth and Republic of Ireland citizens from voting. As it is not the Government's intention to do that in the Bill, I find it hard to understand why citizens of some EU countries have special rights. It seems to me a matter of fairness.

Many EU nationals, not just those from the Republic of Ireland, Cyprus and Malta, have settled in the UK. They work here and pay taxes here. They have a real stake in the outcome. We must think very carefully about whether it is fair to exclude them when three EU countries' citizens are not excluded. The principle that should apply is that those who could be directly and personally affected by the outcome should be entitled to have a say in the decision. The many UK citizens—about 2 million—who live elsewhere in the EU, and the many EU citizens, about 2.4 million, who live in the UK are right to be worried by the possible exit of the UK from the EU. It is no surprise that significant numbers are said to be considering dual nationality. If we left the EU, work permits could return, more people could have to apply for skilled migrant visas, reciprocal health schemes could be reduced, the operation of UK state pensions could be affected and the general ease of mobility for UK citizens across the EU would become much more complicated and uncertain. I wonder whether the Government have calculated the impact if large numbers of UK citizens decided to return to the UK in the event of our exit from the EU.

Finally, the Prime Minister has said that the franchise should remain at 18 for the referendum, but he also said that it was an issue for Parliament to decide. My view is that the Scottish referendum demonstrated convincingly the value of permitting 16 year-olds to vote and, given the implications for 16 year-olds if there was to be a vote to leave, we should lower the voting age. Sixteen year-olds have a right to be involved as their future will be affected.

In conclusion, I hope that it will be possible to explore all these issues in Committee; they matter.

2.09 pm

Sitting suspended.

Airports: London Question

2.30 pm

Asked by Lord Spicer

To ask Her Majesty's Government whether they will now announce the date on which they will make public their decision about an extra runway for the London airport system.

The Parliamentary Under-Secretary of State, Department for Transport and Home Office (Lord Ahmad of Wimbledon) (Con): My Lords, the Government's position on airports capacity has not changed since the Airports Commission published its final report in July. The Government are currently reviewing all the evidence before coming to any final decision. As I have said before from this Dispatch Box, the Prime Minister has said that a decision will be made by the end of the year.

Lord Spicer (Con): My Lords, is my noble friend aware that Heathrow is now full? Is he further aware that whatever decision is taken about the future of that airport, it is likely to be challenged in the courts? Is it not therefore sensible that, from an aviation point of view, a decision to publicise should be taken as soon as possible, preferably this afternoon before the six o'clock news?

Lord Ahmad of Wimbledon: It is for the very reason that my noble friend has articulated—the importance of making a considered decision which is not subject to judicial review—that the Government are fully considering all the evidence in the commission's report and will report on their final decision in due course.

Lord Clinton-Davis (Lab): Does the Minister appreciate that while we prevaricate over the choice of the extra runways, Paris, Schiphol and Frankfurt are going ahead inevitably and inexorably? Are we not paying a very heavy price for the delay that is happening at the moment? I am delighted that, as former Ministers with responsibility for aviation, the noble Lord, Lord Spicer, and I both have no doubt about what should happen.

Lord Ahmad of Wimbledon: The noble Lord raises an important point about retaining the competitiveness of London alongside those who are competing for business across Europe. He referred to his experience

and that of my noble friend. It is for that very reason that I am sure he would agree that the Government need to ensure that they make a considered response that is not open to judicial review.

Lord Callanan (Con): Can the Minister give us the benefit of his best guess about which happy occurrence will happen first—the building of the third runway at Heathrow or the publication of the Chilcot report?

Lord Ahmad of Wimbledon: One thing I have learned in my time as a Minister is that guessing results in a very short time in office. Guessing and speculation are not advised for any Minister.

Lord West of Spithead (Lab): My Lords, I was at a meeting this morning—it was part of a series of meetings—about statesmanship in the 21st century, stemming from the Churchill 2015 events. It was attended by a lot of youngsters, and there were a lot of debates. One of the key attributes that those attending felt that statesmen in the 21st century should have is an ability to make rapid and concise decisions. This decision has now taken longer than World War I. If this decision is important for our nation, does the Minister not believe that we ought to make it, as was said, before the evening news?

Lord Ahmad of Wimbledon: As I am sure the noble Lord recognises, World War I was not based on a report. In this instance, the Prime Minister who leads the current Government initiated this report during the previous Government in 2012. It is an independent report. The commission took evidence. There were more than 70,000 respondents, and it is only proper that the Government should ensure that all options are carefully considered before they come to a final decision.

Lord Mawhinney (Con): My Lords, can my noble friend tell your Lordships' House how the date of the announcement about Heathrow will be influenced by the date of next year's mayoral elections in London?

Lord Ahmad of Wimbledon: All I will say to my noble friend is that, as I have said already, I would have a short ministerial career if I were to speculate on such things.

Lord Bradshaw (LD): Will the Government give an undertaking that when the decision about which airport is chosen is made and publicised, the effects on air quality and surface access will be covered in the same decision?

Lord Ahmad of Wimbledon: As the noble Lord will know, the issue of surface access has already been addressed. At Gatwick, for example, we have seen investment in a new station. He also raised the issue of air quality. That is very much part and parcel of the reporting of the Davies commission, and it will indeed form part of the Government's response.

Lord Sugar (Non-Aff): Will the Minister remind the House why the expansion of Stansted Airport was aborted? It has tremendous capacity and very good connectivity with the centre of town.

Lord Ahmad of Wimbledon: Stansted, like other airports around the country, is an important part of UK plc's airport offering. As the noble Lord will also know, the Davies commission looked at many options, and it was after considering over 50 options that it whittled those down to what is recommended in the report. It is important when you commission a report that you consider its findings in detail and indeed reflect on those findings appropriately.

Baroness McIntosh of Hudnall (Lab): My Lords, in view of the question from the noble Lord, Lord Sugar, I should perhaps declare an interest as a member of the Stop Stansted Expansion campaign. That said, does the Minister accept that this Government—and those who have gone before, unfortunately—have form on the issue of not taking decisions in a timely fashion on airport capacity? Does he further accept that the effect not just on the aviation industry but on the communities in the areas of those airports is baleful when these decisions are repeatedly delayed? They are put into a condition of virtual suspended animation, or worse, and many bad effects ensue. Will he assure the House that this Government are well aware of that?

Lord Ahmad of Wimbledon: I assure the noble Baroness that the Government are fully aware of that. Indeed, the Davies commission's report highlighted the importance of establishing a community engagement forum, and that will form part and parcel of the Government's reporting on the report.

Lord Cormack (Con): Will my noble friend assure the House that this decision will be made while both Houses are in session, and that it will be followed by full debate in each House of Parliament?

Lord Ahmad of Wimbledon: I look toward my noble friend the Chief Whip. I am sure that with his professionalism in these matters he will table debates accordingly.

Lord Campbell-Savours (Lab): My Lords, have the Government considered the possibility that in 30 to 50 years' time hundreds of millions of Chinese, Indians and others from developing parts of the world will be flying into Europe? Are we sure, with the nonsense of this Heathrow expansion, that it would actually be big enough? Would it not be better to go down the "Boris Island" route and have something proper built for the future?

Lord Ahmad of Wimbledon: I am sure that my honourable friend in the other place has noted the noble Lord's support for his proposal. People will be flying in from all over the world, as they do today and indeed as my father did from India 50 years ago. That will continue to happen 50 years from now. What is important is that the report highlights the options that we need to undertake up to 2015 and beyond.

Lord McKenzie of Luton (Lab): My Lords, I draw attention to my interests in the register. Is the Minister aware that by the time the first sod is to be turned on the new runway, wherever that may be, London Luton

[LORD MCKENZIE OF LUTON]

Airport will be well on its way to handling some 18 million passengers each year, providing substantial capacity to the London air transport system? What encouragement will the Government give to the further expansion of that airport?

Lord Ahmad of Wimbledon: I remind the noble Lord that I have already said that the Government are supportive of all our regional airports. We are investing in both the surface transport and the road network to ensure accessibility, and the statistic that he has just quoted underlines that particular support because it underlines that our regional airports are also expanding well in servicing UK plc.

Wales Act 2014 *Question*

2.39 pm

Asked by Baroness Humphreys

To ask Her Majesty's Government what progress they have made in implementing the Wales Act 2014.

Viscount Younger of Leckie (Con): The Wales Act 2014 took forward the vast majority of the recommendations of the independent Silk commission. Business rates have now been fully devolved to the Assembly. The Government are taking forward the devolution of stamp duty land tax and landfill tax in time for April 2018. The Act will make the Assembly and the Welsh Government more accountable to people in Wales and enable them to support stronger economic growth.

Baroness Humphreys (LD): During the passage of the Wales Bill through this House, Members debated and agreed to the amendment tabled by my noble friend Lord German to allow the names of the first four candidates of each political party to appear on the ballot papers for the regional list in the Assembly elections in 2016. With fewer than seven months to go before those elections take place, can the Minister tell me by what means and by when this decision will be implemented?

Viscount Younger of Leckie: My Lords, we intend to lay the draft order in Parliament later this autumn. The Government of Wales Act 2006 provides that parties may nominate 12 candidates for each Assembly region. Ultimately it is for the Secretary of State to determine how this is reflected on the new regional ballot paper. The order prescribing this has already been shared with the Electoral Commission—as is normal—and with administrators on an informal basis with a view to the final draft being prepared and shared very shortly.

Lord Morgan (Lab): My Lords, reserved powers for the Welsh Assembly were not included in the original Wales Bill but they were very strongly endorsed in the St David's Day agreement last February. Can the Minister tell us what the position is? Has this principle now come into effect?

Viscount Younger of Leckie: Yes, indeed, I can reassure the noble Lord that that is the case.

Lord Elis-Thomas (PC): My Lords, is it the Government's policy that any future Wales Bill that may appear from this Government will be taken to the Assembly and will seek the consent of a majority of Assembly Members for its content?

Viscount Younger of Leckie: Yes, indeed, I make it clear to the House that the Wales Bill will appear here before too long, although there are no dates. The objective is that there is going to be a clearer settlement in terms of setting out reserved powers—a reserved powers model. It will be a strengthened settlement and will deliver a fairer settlement through the introduction of the funding floor alongside the spending review, with the expectation that the Welsh Government will work with us to progress.

Lord Thomas of Gresford (LD): The Minister will be aware that the requirement in Section 12 of the Wales Act for a referendum before the transfer of income tax-raising powers to the Welsh Assembly has been used as an excuse for delay. Will his Government use the forthcoming Wales Bill to remove this block and make the Welsh Government accountable for their gross failure in maintaining standards of education and health in Wales?

Viscount Younger of Leckie: I cannot agree with the noble Lord in terms of delay because we think that it is right to get the agreement right. The Wales Act and the St David's Day agreement empower the Welsh Government with the tools and levers that they need to grow the Welsh economy. We believe that the referendum is right as part and parcel of giving the Welsh people more say in terms of their powers.

Baroness Morgan of Ely (Lab): My Lords, as this is a Welsh question and as I am a Welsh woman, the House would not want me to gloat or refer to anything relating to an oval ball. I would like to ask the Minister to respond to claims made by an eminent group of experts that the plans outlined in the Command Paper in the run-up to the new Wales Bill will not deliver the lasting devolution settlement that was promised by the Government. Can the Minister give a categorical assurance that there will be no attempt to claw back powers to Whitehall from Wales in the forthcoming Wales Bill?

Viscount Younger of Leckie: I will say, as was set out in the St David's Day agreement by the Prime Minister, that this is a very important Bill that is coming up. It will enable the referendum to be held on the income tax devolution, and the Command Paper said that the funding floor would be introduced in the expectation that the Welsh Government would hold a referendum. So I can give these guarantees. These are important for the future.

Lord Howarth of Newport (Lab): My Lords, will the Minister take no notice whatever of the noble Lord, Lord Thomas of Gresford? Is it not a mark of respect for the people of Wales and in the spirit of devolution

that the Welsh Assembly Government should be able to order their policies on health and education in the manner that they judge best and that is accountable to the people of Wales who have wished to elect a Labour administration?

Viscount Younger of Leckie: That is exactly it; we believe that it is right to pass more powers on to the people of Wales. That is the main message that I want to give today.

Government Digital Service Question

2.44 pm

Asked by **Lord Wallace of Saltaire**

To ask Her Majesty's Government what changes in the Government Digital Service will follow from projected cuts in its budget and the departure of senior staff.

The Parliamentary Secretary, Cabinet Office (Lord Bridges of Headley) (Con): My Lords, the future budget for the Government Digital Service will be determined in the spending review. The Government are 100% committed to the digital strategy set out in the previous Parliament and to the vision of government as a platform, so we can solve digital challenges once on behalf of all government. We will continue to strengthen the team in GDS and capability across government so as to transform the public delivery of services, making life easier for the citizen and cheaper for the taxpayer.

Lord Wallace of Saltaire (LD): My Lords, does the Minister accept that this was a Conservative initiative—from the noble Lord, Lord Maude—in the last coalition Government, which had active Liberal Democrat support and much wider support from those in the technological community outside, and that it has been so successful that, as the *Financial Times* reports today, the United States, Australia, New Zealand and Israel have modelled their approaches to digitisation on the British scheme? Now, since the chief executive has resigned, six senior executives have left the GDS in the last six weeks and there are increasingly worrying reports of what is going on. Can we have at least a Statement and preferably even a White Paper on the future of GOV.UK, or are we going back to piecemeal approaches by departments which were demonstrated to be so ineffective in the past?

Lord Bridges of Headley: First, I thank the noble Lord for what he did when he was in government in supporting the GDS. I can say that we are utterly committed and remain committed to the strategy that was set out in the last Parliament. Plans will be announced before Christmas that will set out our strategy. The plans to create government as a platform continue, and the noble Lord is absolutely right—from my own experience in the private sector it is right that the entire organisation continues to embrace digital technology and build government as a platform.

Baroness Hayter of Kentish Town (Lab): My Lords, yesterday we gave a Second Reading to the Enterprise Bill to help businesses, big and small. However, we know that on average businesses are losing 33 working days a year because of outdated government online services. This is where they need help. Can the Minister therefore tell the House whether the Cabinet Office is one of those departments refusing the cuts that other bits of the Government are trying to make to it, and what guarantees business can have that there will be no cuts to the Government Digital Service?

Lord Bridges of Headley: My Lords, I may have been in this House a very short time but I think your Lordships would agree that it is probably more than my life is worth to start predicting the outcome of the spending review. However, I am delighted to use this opportunity, given that the noble Baroness has asked me this question, to remind the House and indeed the Treasury, should it be listening, that during the last Parliament £1.7 billion was saved thanks to digital transformation and the Government Digital Service cost £58 million. This is therefore a very good return on investment. Obviously, discussions continue, but I entirely share the noble Baroness's view that we need to do more to support businesses.

Lord Forsyth of Drumlean (Con): My Lords, does my noble friend agree that my noble friend Lord Maude, as he now is, did a brilliant job in transferring services that would otherwise be extremely expensive so that they are online? That has saved the taxpayer a huge amount of money. Is not the quid quo pro for that that people, particularly those in rural areas, have access to broadband? It is no good if you have to fill in your tax return or your claim for agricultural subsidies, or whatever it is, if you do not have a proper online service, and BT is not providing that service. It is not good enough to say that it should be available to 95% of the country—100% of the country should be able to access government services online.

Lord Bridges of Headley: My Lords, I entirely sympathise and share this point of view, Headley being a place—at least in my mother's house—that does not enjoy the full benefits of superfast broadband. However, I remind the House that the Government are investing over £780 million to bring superfast broadband to areas of the UK, total public investment is nearly £1.7 billion, and 3 million additional homes and businesses have superfast broadband available for the first time thanks to the Government's investment. However, I entirely concede that more needs to be done.

Lord Knight of Weymouth (Lab): My Lords, the Government Digital Service is a success thanks to the leadership of Mike Bracken and the noble Lord, Lord Maude. I wish them well in their new roles. However, I share the concerns of the noble Lord, Lord Wallace. Digital successfully implemented is by definition risk taking and innovative, and the Civil Service is not famous for embracing risk taking or innovation. What are the Government doing to nurture the next generation of political intreprenuers within departments, across government, to drive this innovation and achieve the improvements in quality at potentially lower cost that we can get out of digital?

Lord Bridges of Headley: My Lords, the noble Lord makes an extremely good point and the Government are very focused on this, as is the Cabinet Office. The Cabinet Office today has announced the appointment of a new chief people officer who will lead HR, and I am sure he will put this at the top of his agenda.

Lord Clement-Jones (LD): My Lords, the GDS and GOV.UK have made a huge contribution to better government. We heard the Minister's assurances about strategy, but can he give the House an absolute assurance that we are not going to return to a free-for-all where each government department sets up its own website again?

Lord Bridges of Headley: My Lords, the noble Lord makes an extremely good point. During the previous Government a number of websites were shut down—scores indeed—some of which were competing against each other. I hope this is not a party-political point, but I think we have all learnt the lessons from the early days of digital. We need to make sure we continue on the approach we have set.

Lord Wills (Lab): My Lords, the previous Government had an excellent record in promoting the use of open data in government. Can the Minister give an assurance that this Government will be equally vigorous in its use in this Parliament?

Lord Bridges of Headley: Absolutely, my Lords, and we need to continue to use our data better. It surprises me that we still have silos of data that we do not use and do not mine, and we need to continue to make the data more open and more available.

Lord West of Spithead (Lab): My Lords, one of the greatest challenges with digitisation is protecting personal data, and the ability to access government services is much easier when you can do that. Is any consideration being given to a card that will allow people to prove exactly who they are when they try to get this data?

Lord Bridges of Headley: As the noble Lord will know, there is a project underway led by GDS on Verify, but that is a very good point and I will draw it to the attention of GDS.

Primary Care: Targets

Question

2.51 pm

Asked by **Baroness Walmsley**

To ask Her Majesty's Government whether they will encourage general practitioners' practices to employ nurse prescribers, nurse practitioners and pharmacists in order to achieve their seven day target for primary care.

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): My Lords, broadening the skill mix within general practice is an important part of improving access for patients. General practices are including nurse prescribers, nurse practitioners and clinical pharmacists in their multi-disciplinary

teams and experience suggests that this results in significant benefits for patients. Earlier this year, NHS England launched a £15 million scheme to fund, recruit and employ clinical pharmacists in GP surgeries.

Baroness Walmsley (LD): I thank the Minister for that reply, but is he aware that the GP shortage is made worse by the fact that a declining number of young doctors want to go into GP practice for various reasons, including pay, working hours and the volume of consultations? At the same time, we have a surplus of excellent young pharmacy graduates looking for jobs who would be very happy to go into clinical general practice. Is it not time for a new initiative to bring these two things together and ensure that doctors get the assistance of all these excellent young graduates?

Lord Prior of Brampton: The noble Baroness makes a very good point. There is plenty of evidence to suggest that where general practices employ clinical pharmacists, it relieves GPs of a considerable burden. Interestingly, the NHS Alliance produced a report last week called *Making Time In General Practice*. It identified that up to one in six patients seen by GPs could in fact be seen by someone from a broader skill mix within general practice, so what the noble Baroness says makes a lot of sense.

Lord Patel of Bradford (Lab): My Lords, while one may applaud the intention of the 24/7 NHS service, does the Minister agree that the Government are potentially raising public expectations that are just not going to be achievable, given the deficit of nearly £1 billion that we have seen in the first quarter of this year alone?

Lord Prior of Brampton: My Lords, the deficit in the first quarter is indeed a matter of huge concern—I am not going to pretend otherwise—but the Government are wholly committed to seven-day services both within hospitals and in general practice. We are committed to investing £10 billion extra in the NHS over the next five years, and ensuring that we have enough GPs and enough support for them is a key priority.

Lord Patel (CB): My Lords, does the Minister agree that, before anybody is qualified to prescribe, the important part is that the correct diagnosis is made before the prescription is given? Having said that, does he think that qualified high-street pharmacists may have a role in prescribing, apart from the clinical pharmacists who are attached to general practitioners?

Lord Prior of Brampton: I fully accept, of course, that diagnosis is extremely important but I think that advanced nurse practitioners can play a role in diagnosis, as well as in treatment, as can physician associates, given that both are supervised by GPs. I believe that high-street or community pharmacists can play a big part in supporting the role of clinical pharmacists.

Baroness Wall of New Barnet (Lab): The noble Lord will recall yesterday's discussion about how the integration of care is crucial. I am absolutely in agreement with the noble Baroness, Lady Walmsley—this is what

integration in the health service really means. Providing the opportunity for pharmacists in hospitals to work in those practices should be encouraged.

Lord Prior of Brampton: I completely agree with those comments. Over the next five years, we will see much greater integration of acute hospitals and primary care and community care.

Lord Roberts of Llandudno (LD): My Lords, the suggestion has been made that nurses from overseas who are not earning £35,000 after five years will be deported. Does this mean that the Government are going to think again on this issue?

Lord Prior of Brampton: This raises an important point—that we ought to train our own nurses. Relying on recruitment from overseas is not a viable long-term strategy and we must increase the number of training places in the UK.

Lord Howarth of Newport (Lab): My Lords, in seeking to broaden the skills base in general practice, as the Minister has just said he wishes to do, will he consider encouraging GP practices to employ artists? Is he aware of the excellent outcomes for patients in GP practices that have an artist in residence?

Lord Prior of Brampton: My Lords, the short answer is no. I do not think that I could stand here and promise funding for artists in GP surgeries, but I do have an open mind. If the noble Lord would like to talk to me about it outside the Chamber, I would be very happy to do so.

Lord Naseby (Con): My Lords, as the NHS has a problem with its cost base, rather than load GP practices with even more overheads, would it not be wiser to follow what a number of us experience in our own practices: much closer liaison between GP practices and local chemists, which account for only a partial amount of the NHS's overheads?

Lord Prior of Brampton: My noble friend makes a very good point. There is an increasing and important role for high-street and community pharmacists in delivering healthcare.

Lord Kakkar (CB): My Lords, I declare my interests as chairman of UCL Partners and as UK Business Ambassador for Healthcare and Life Sciences. What strategy do Her Majesty's Government have to ensure that NHS prescribers can continue to provide innovative therapies and interventions for their patients?

Lord Prior of Brampton: The noble Lord makes an interesting point. I do not have an answer to give him today, but perhaps I may reflect on that and come back to him.

Lord Hunt of Kings Heath (Lab): My Lords, clearly the role of community pharmacists could be enormous in the future, but in the end we still need more GPs. I have yet to be convinced that the Government really do have a programme that will effectively make sure that current GPs stay in the profession and that new

GPs enter it. Can the Minister confirm that a number of the seven-day working pilots involving primary care have had to be cut back because of a shortage of GPs?

Lord Prior of Brampton: I cannot confirm that a number of the pilots have been cut back because of a shortage of GPs. I assure the noble Lord that we are committed to having an additional 5,000 doctors and a further 5,000 professionals working in general practice by 2020. That is a key priority for the Government.

Lord McFall of Alcluith (Lab): My Lords, the number of 80 year-olds today—3 million—is estimated to double by 2030. According to the King's Fund, this will be the biggest challenge facing society. In particular, the issue of caring for frail, vulnerable adults with complex needs is crying out for attention. What future planning will the Government do to address this human bombshell?

Lord Prior of Brampton: The noble Lord makes a very perceptive point. Demography is driving healthcare. The whole thrust of government policy is to treat as many people as possible outside acute hospital settings. Over the next five, 10, 20 years, I expect to see a far greater share of the health budget going to primary and community care, and a lower percentage to acute care.

Lord Colwyn (Con): My Lords, in view of the massive costs of agency staff working in the NHS, could not the Government consider setting up their own agency?

Lord Prior of Brampton: My Lords, it is our intention—for all kinds of reasons; cost, safety and quality of care—to reduce our dependence upon staffing provided by agencies. We would much rather see staff employed on a permanent basis or through hospital banks.

Redcar Steelworks

Statement

3 pm

The Parliamentary Under-Secretary of State, Department for Business, Innovation and Skills and Department for Culture, Media and Sport (Baroness Neville-Rolfe) (Con): With the leave of the House, I would like to repeat the Statement made by my right honourable friend Anna Soubry earlier today in another place. The Statement is as follows.

“Mr Speaker, I begin by saying that the significance of yesterday's announcement is not lost on either myself or any member of this Government, because we know and understand the profound implications it will have on Teesside. I also pay tribute to the honourable lady; she and I will not agree on this matter but I pay tribute to what she does, which is, as every good MP should, to fight for her constituents—and I know she does that. At the same time, I pay tribute to the honourable gentleman the Member for Middlesbrough South and East Cleveland, who I suspect will also fall out with me, for the work he has done on behalf of his constituents.

[BARONESS NEVILLE-ROLFE]

I say that it is not lost on me because it was an honour to go up to Redcar the other week and to meet a number of people at that time. We knew SSI was under huge, considerable difficulties. To set it into context, it had never made a profit, notwithstanding the outstanding workforce, which it undoubtedly is, and a lot of good will. To set it in perspective, the coking ovens were losing, on average, £2 million a month.

The official receiver accordingly was brought in on that Friday and, in his capacity as liquidator of SSI, announced that he had received no viable offers for the coke ovens or for the blast furnace following discussions with potential buyers and would therefore begin closing those facilities. The terminology is a “hard closure”, which is a tough closure as well, and this is not mothballing, so we have to be realistic as to the implications of that.

As I say, it is hugely regrettable news, both for SSI workers and their families and the local economy more broadly. Only this morning, I spoke to the chief executive of the local council, Amanda Skelton, who informed me that at least 50% of the people employed working in the ovens and blast furnace live in Redcar; so we are under no illusions as to the significance for that town. The Government remain absolutely focused on supporting those people who find themselves out of work as a result of SSI’s liquidation and, through a package of up to £80 million, we will continue to invest in them and the future of the Tees Valley economy. Safety, as you might imagine, is a top priority, and we will continue to ensure the official receiver has all the funding and support necessary to ensure a safe and orderly closure of these assets, working with the Health and Safety Executive and the Environment Agency. I would like to thank the official receiver for what he has done. I put on record not only my thanks but also the fact that he has been able, with the assistance of government, to keep the coking ovens going until yesterday’s announcement—and that was no mean achievement.

When I was last in Redcar, we were in the position where, just by way of example as to the serious nature of what had been going on, we discussed the possible sale of coke that might just raise, that Friday morning, £800,000 that might just buy some sulphuric acid to keep the power plant going. That was the hand-to-mouth existence—the reality of SSI. Not the local management, who struggled under the most difficult of conditions, but a reflection, unfortunately, of the Thai owners, notwithstanding all the welcome they had properly received when they bought this plant and the great hope that had been invested in them by the local community.

I would like to place on record my thanks to all those, including the community trade union, I had the great pleasure to meet when I was up there, as well as local authorities, local Members of Parliament and other stakeholders who have helped operate SSI’s facilities during this particularly difficult period and who have done so much to try to ensure there is a future for steelmaking in Redcar. Unfortunately, all that good work has come to nothing”.

3.05 pm

Lord Stevenson of Balmacara (Lab): My Lords, the closure of this site is a catastrophe for the local economy and for the local community on Teesside: 170 years of steelmaking were snuffed out yesterday. The Government are overseeing the loss of a national industrial asset while showing no willingness, as far as we can see, to step in and try to rescue it.

Steel produced in that area is surely part of an industrial strategy. One would expect any Government concerned about the future of the economy in this country to think more closely about our automotive, aerospace and construction industry needs and the relationship they have with steel.

Did the Government explore options for mothballing this site over a longer period to save the assets? Will the Minister confirm how much it will cost the taxpayer to clean up the site? As she mentioned, there are several concerns there about toxicity. Will she reflect on the fact that we are currently engaged on the Enterprise Bill, and in that Bill there may be an opportunity to look again at the question of Chapter 11 solutions when industries of national strategic importance get into trouble?

It seems to me that the Government are washing their hands of this and standing back when they should be taking a direct interest.

Baroness Neville-Rolfe: I am grateful to the noble Lord for his many questions, and for his reference to the Enterprise Bill, on which we had a good debate yesterday. As I explained at the end of proceedings then, it has been difficult. The underlying problem is that the SSI operation has never made a profit. The scale of decline in steel around the world is enormous. The world is oversupplied, with overproduction at 30%. This figure appalled me. There are 200 million tonnes of excess tonnage in China, and EU production is 169 million tonnes. We have an enormous challenge.

The right thing is to look forward. That is why we have established a steel summit on Friday in Rotherham, which obviously goes wider than Redcar. The Secretary of State will be chairing it and Anna Soubry will be there, along with all the key outside players, including, obviously, steelmakers such as Tata and Celsa, the trade unions and experts, including Oxford Economics, who are able to look objectively at the global position and look forward to see what can be done.

Chapter 11 has its advantages in some other climes. I think we have debated this before. We find that the insolvency tends to end up being less efficient, particularly in the sort of circumstance we have here, where you have a big global problem. You have to look forward to different opportunities for an area.

Lord Brookman (Lab): As an ex-general secretary of the union referred to by the Minister and an infrequent speaker in the Chamber, I am pleased that the Minister congratulated the union that I once led, under a different heading. I remember a debate in this Chamber many years ago about the future of manufacturing in the UK, which had particular relevance to the steel industry. It went down quite well—there were 19 speakers—but I was told by one of the inner crowd that we live in a post-industrial society, which implied that banking, the service sector and finance were the way forward.

The steel communities in this country, although there were 267,000 people in the nationalised industries in 1967, are very, very small. My home town in south Wales is decimated: the mines have gone, the steelworks have gone and times are tough.

If the Minister is running this conference next week, she should—please—apply her mind to keeping what is left.

Baroness Neville-Rolfe: I thank the noble Lord for his comments and for his experience. I certainly agree that we should seek to preserve what is good. There are opportunities in the steel industry: there is HS2, if that happens; there is specialist steel; and we have a sector-led strategy on metals. We need to look forward in those areas and to small business creation in Teesside and in other ex-steel communities.

Lord Stoneham of Droxford (LD): My Lords, can the Minister confirm that £20 million of the £80 million that she says the Government are investing in Teesside is money that would be paid in any event in the form of statutory redundancy in a liquidation situation? Will she further say whether the Government, in the situation that they face in Redcar, would be prepared to consider a government-backed task force, as they did five years ago, to look at the diversification of the economy and would be prepared to consider additional funds to help that community if viable projects subsequently emerged?

Baroness Neville-Rolfe: My Lords, on the up to £80 million that is made available, how much goes on redundancy will depend on uptake, but we are clear that it will provide a lot of funds for training and reinvestment in skills—the sort of things that are needed and that are in the hands of the local task force that we have set up and did great work in 2010. The Prime Minister has said that, if necessary, we will look at this again, but we think that the £80 million will make a huge difference to the more than 2,000 unfortunate people who, if one takes all of them together, will lose their jobs—it is very disappointing. On a future task force, we are focusing this week on the summit and on the local task force.

Lord Forsyth of Drumlean (Con): Does my noble friend know that for the second Forth Bridge crossing, which was commissioned by the Scottish Government, the majority of the steel is being shipped from China? That suggests that there is a degree of uncompetitiveness or a degree of dumping of steel going on. Does my noble friend not acknowledge that one consequence of putting green taxes on high-energy-using businesses is to make them uncompetitive, leading us to import carbon from our competitors and to put our people out of work?

Baroness Neville-Rolfe: My Lords, I am not sure that energy policy is the issue here. We have already paid £50 million in compensation under the Energy Intensive Industries Compensation Scheme. As my noble friend said, the issue is the lack of competitiveness, but I think some public organisations do this better. If one looks at Crossrail, one sees that it used a great

deal of British steel in its concretes by way of the work that it did with the supply chain to encourage it to bid for work during that excellent project.

Baroness Armstrong of Hill Top (Lab): My Lords, does the Minister recognise that the north-east has faced issues like this before? When I became the Member of Parliament for North West Durham in 1987, Consett steelworks had closed. Ironically, one of the reasons that we were given for closing Consett was to keep things going in Teesside. We then faced a male unemployment rate in the region of 20%. It took years and years to begin to get people employed, and it was very difficult to get the quality of skills that they had been used to working with in the steelworks. This is a huge challenge to the local community and I really think that the Government have not taken it seriously enough. The summit in Rotherham will do nothing for Redcar.

The £80 million, as the noble Lord said, includes statutory redundancy costs, which is an outrage. Will the Government pay far more attention to what is going to happen to that community in Redcar, which is quite isolated? Unemployment in the north-east is already the highest in the country, and in the Tees Valley area it is probably higher than in the rest of the region. This is a real crisis for local people and the Government must recognise—in a way that, locally, they are not seen as having done so far—the impact that it will have on that local community and make sure that the opportunity for change and reconstruction of some manufacturing jobs is made more possible. That means working closely with the European Union as well with the local task force and the LEPs.

Baroness Neville-Rolfe: My Lords, I do not share the negative view that was set out, but I agree that we need to look forward. We set out in our Statement yesterday a great number of the things that we are doing on reskilling and looking forward, as the noble Baroness suggested. We have taken action at the EU level to work with other member states who face similar challenges—the French, the Germans and the Luxembourgers—in fighting dumping, and some measures have been taken. But as I said, this is a real competitiveness issue and we need to look forward and find new opportunities in this important industry.

European Union Referendum Bill

Second Reading (Continued)

3.16 pm

Lord Boswell of Aynho (Non-Affl): My Lords, this Bill is domestic legislation, so, while I have the honour of chairing your Lordships' European Union Committee, I have no scrutiny locus to apply to it. Further, I am bound by the obligation of non-partisanship, and that is in any case very much the culture of my committee as a whole. I felt however that it might be useful to the House to outline our thinking in this crucial matter.

I do not plan to participate in the Committee stage of the Bill. I certainly have personal views on some issues that, judging from the debate this morning, are likely

[LORD BOSWELL OF AYNHO]

to be raised, and I am a self-confessed ex-serial amender of Bills. On technical issues, I shall confine myself to one comment: as the revised version of the ballot paper question now appears in subsection (4) of Clause 1, the wording both of the Long Title and of the first subsection could usefully be harmonised with it.

The substance of the Bill is of course very much not a technical matter, and as the decision is now being left to the British people as a whole, I do not intend to express any view on it on behalf of the committee, particularly ahead of substantive negotiations. I will concentrate, for the benefit of the House, on what I feel we can properly offer as your Lordships' scrutiny committee.

The House will be aware that, just before the recess in July, we got in early with the report *The Referendum on UK Membership of the EU: Assessing the Reform Process*. We are taking this work forward into a new inquiry which we are about to launch, which asks: what are the issues involved? Is there any common vision of the reforms that are necessary in the European Union? At a more technical level, who is negotiating, and with whom? How are the various interests being addressed? What is the timetable, both for making decisions and for reporting back to Parliament and the nation on them?

It is clear that the process is far more complex and fraught with risk than the 1975 negotiations and referendum, which many here will remember. Then there were only nine member states, compared with 28 now; the transition period for the United Kingdom had barely begun; and the concept of devolved Assemblies—save for the Northern Ireland Assembly—was some way off. The European Parliament then was still directly appointed, in its infancy and relatively powerless.

The second emphasis in our inquiry is that this Government, in their understandable wish to develop their own position and to secure their negotiating objectives, might possibly put too little weight on some less obvious players and overlook some issues—for example, those of bilateral interest which could still derail the negotiation process.

Recent negotiation history over justice and home affairs matters, which caused such a flurry last year, is a warning bell here. As an example of an interest, the Irish Republic, with its involvement in constitutional issues affecting the island of Ireland and the unique land boundary with the United Kingdom, needs to be kept actively in play. More generally across Europe in my experience, we have many friends and we must cultivate them in what is bound to be a delicate game of three-dimensional chess. In playing this game, tone is extremely important.

Naturally, on behalf of the House, we are pleased that our Government's emphasis is on an enhanced role for national Parliaments. This should not in our view be seen as downgrading or challenging the legitimacy of the European Parliament. If collectively as national Parliaments we aspire to an enhanced role, we must be allowed a forward gear as well as a purely negative role. Our committee has been active in this area. We recently submitted to the Commission, with the support

of nearly half the Chambers of national Parliaments, the first ever green card initiative on the reduction of food waste.

We also, as a committee, insist on the transparency of the negotiating process. Of course, there must be scope for proper diplomatic leeway but, equally, an entirely closed process could risk a backlash of acceptability. Ministers have made explicit commitments to keep Parliament informed and we shall hold them to that. Then, as negotiations proceed, we shall be looking out for the extent to which the Government may legitimately claim to have fulfilled their own objectives, which centre around four issues, and equally for the legal certainty of any undertakings they have received. The nation must be clear about the basis on which it is voting, to reduce the scope for any future confusion or even recrimination.

In conclusion, I suspect that the small print which properly concerns us, as your Lordships' scrutiny committee, will inevitably be swept up in the far bigger strategic issues of a national decision. I doubt, frankly, whether too many electors will be hanging on the details of some particular assurance as they decide how to place their own vote—and I would not expect to be doing so myself. In any case—this was touched on in the earlier stages of the debate—there is an inevitable asymmetry in the formal choice. We shall certainly be confronted at the referendum with a stay or leave choice on the basis of the negotiations that the Government are undertaking while, on the other hand, a national choice to leave at that referendum would trigger a fresh round of negotiations under Article 50 of the Lisbon treaty. The outcome cannot be known in advance of any application that would in turn have to follow the outcome of a referendum.

In the end, what we can offer as a committee is to inform this House and through it the people more generally as to some of the practical issues and implications. Ultimately, I would expect—and indeed, I think I would hope—that people will make their choice on the basis of these strategic issues involving our people, and in the decision whether they are best tackled through active membership or from outside.

3.24 pm

Baroness Miller of Chilthorne Domer (LD): My Lords, the right reverend Prelate the Bishop of London spoke earlier of the changing historical shape of Europe. I live part-time in Aquitaine in France—a region that was, of course, part of the kingdom of England for some centuries. Consequently, I frequently journey from here to there. During the time I have been doing that, I have developed a tremendous admiration for Queen Eleanor of Aquitaine. She frequently journeyed to and fro on horseback, through strife and storms, often while pregnant. I am glad to say that my journeys are less arduous.

Aquitaine, like other parts of France and Spain, has tens of thousands of British expats living there. Can the Minister confirm how many UK citizens have lived abroad for more than 15 years and how many of them live in EU member states? These are the disenfranchised British people I want to talk about.

As the Minister made clear, the basis for this Bill is the Westminster franchise, but that is not fit for purpose for this referendum. It is quite illogical that it should be used because it is to do with local and national elections.

Among these British expats, many have worked in the UK for their whole lives—as teachers, soldiers, doctors, diplomats, bus drivers—and many still pay taxes in the UK because they get a UK government pension. Their children and grandchildren live and work in the UK. These people are deeply invested in the UK and care about its future. Of course, if they live in the EU, they are concerned about how the changes will affect their own future in a very direct way. However, their concerns run much deeper and wider than their own situation. I will quote a policeman, Philip Pearce, who retired from Somerset to France and said:

“I moved to France 20 years ago, living on a government pension from the police force. I have made my home here. Because I have a government pension I still have to pay income in the UK. I pay my income tax there like so many others with government pensions, but have no say in voting. Yes, perhaps this is reluctantly acceptable in normal elections, but not this referendum”.

That is one example. Another could be that of a young person who, after university, goes to look after a sick parent abroad. That parent, though ill, lingers on and that young person, despite long-term hopes of returning to the UK, has no vote. Somebody else, whose career takes them abroad—perhaps when they are 25—and who is still working abroad at 41, has now got small children and plans to return to the UK in the near future. This is quite a common pattern. Why should they not have a vote in the referendum when the rest of their lives will be invested in the UK?

In her opening remarks, the Minister said that the Government intend to pass their votes for life Bill, promised in the Queen’s Speech, in due course. I was glad to hear that. However, there is no saying that it will be enacted in time: in fact, it looks unlikely. Even if we follow the wise advice of the noble Lord, Lord Jay, to get on with it sooner rather than later, I doubt that the votes for life Bill will be enacted by 2016. So those hundreds of thousands of expats will have no say on the future of the EU.

The only way to solve this problem is to amend this Bill to include them. After all, if we can amend the Westminster franchise, as we intend to do, to include Members of your Lordships’ House, surely we can amend it to ensure with safety and certainty that those people whose future in the UK is as invested as ours have their say. This is what I intend to do in Committee.

3.29 pm

Lord Norton of Louth (Con): My Lords, I wish to speak briefly on changes made to the Bill and what is omitted. I do not propose to follow some noble Lords who have begun to fight the referendum campaign.

My starting point is one of scepticism in regard to the principle of referendums, but an acceptance that successive Governments have utilised them and that they are therefore part of our constitutional arrangements. What we are faced with is not the ideal, but it is the real.

We have rarely discussed the principle of referendums. A dislike of referendums is set aside when someone prioritises a particular issue of policy and sees a referendum as a way of achieving an outcome that otherwise may not be achieved. Governments have employed them on a disparate and discrete basis, with no set framework for determining their use. The Bill before us can be justified on the grounds that it addresses a fundamental part of our constitutional arrangements and derives from precedent. As with the 1975 referendum, it is grounded in a manifesto commitment. However, it is not set within a clear, intellectually coherent approach to constitutional change. The danger is that we are developing a new constitutional framework without thinking through the consequences.

I turn to the specifics of the Bill. As introduced, it reproduced a problem of the 1975 referendum and, indeed, later referendums, but one that has now been corrected, but introduces a problem not present in 1975. As my noble friend Lady Anelay pointed out in introducing the Bill, the Bill as initially introduced stipulated a yes or no response. When the then Political Parties, Elections and Referendums Bill was going through this House, I drew attention to the bias involved in inviting a yes or no response. There is a natural tendency to want to appear positive, so there is a bias in favour of a yes response regardless of the question. Some referendums have, as we know, resulted in a no victory, sometimes a substantial victory, but that outcome might have been even greater had the burden of the question been reversed or electors offered a choice between two mutually exclusive statements.

The Electoral Commission previously favoured a yes/no question because of the ease of campaigning—one could have a vote yes and a vote no campaign. It has now changed its position, having undertaken consultation and research, and favours two statements. I welcome the change and the Government’s acceptance of the Electoral Commission’s recommendation. Subsequent surveys have shown that having a choice of statements, as opposed to a statement inviting a yes/no response, does affect how people vote. My concern is not with what their response is, but that the process itself is as neutral as possible. I therefore commend Clause 1(5), in the form in which it reaches us.

I turn to the problem not present in 1975. On that occasion, electors were invited to vote on the basis of the terms of membership renegotiated by the Government. The ballot question was preceded by the statement stipulated in the Referendum Act:

“The Government have announced the results of the renegotiation of the United Kingdom’s terms of membership of the European Community”.

The terms were known. There was a gap of almost three months between negotiations being completed and the referendum taking place. For the referendum provided for in this Bill, it is expected that electors will be invited to make a decision based on the Government’s negotiations. Nothing about the negotiations appears on the face of the Bill and it is not clear as to the relationship between the date of the referendum and the stage at which negotiations are completed and, indeed, what form completion takes. In the event of a vote to remain in the EU with negotiations incomplete, what obligations remain with the Government?

[LORD NORTON OF LOUTH]

Other issues to be addressed, in my view, are whether there should be a threshold requirement, similar to that imposed in the 1979 referendums, and whether it should be a binding referendum, as with the 2011 referendum on the electoral system, or whether it should be advisory, as has been the norm. There is clearly a case for considering a threshold, given the significance of the issue, and especially so should we decide that the outcome should be binding. An advisory referendum gives Parliament the opportunity to take into account turnout in considering whether to legislate in line with how electors have voted. I assume that there will be a reasonably high turnout, but that is not certain. Perhaps my noble friend Lady Anelay can share with us the Government's expectation as to turnout, and whether they are minded to accept that a threshold is desirable, and if not, why not.

The House of Commons has passed this Bill. It is not our task to challenge the principle. The Commons has also approved, after discussion, particular provisions, or refused to include particular provisions. We can usefully address those matters that the other place has not considered. It is important to get the Bill right before we begin a referendum campaign. We need to ensure that we focus on the merits on the Bill. There is still work to be done, and it is important that this House plays to its strengths.

3.35 pm

Lord Kerr of Kinlochard (CB): A referendum is, "a device of dictators and demagogues",

said Mrs Thatcher in 1975. Clearly, like the Bishops, she knew her Book. We are, however, where we are. This is not like last time. It is not like the Battle of Balaclava: the gallant charge of the Light Brigade with the noble Lord, Lord Dobbs, playing Lord Cardigan. The manifesto pledge was clear; the electorate voted; the House of Commons has voted. Our task is to improve this Bill; we cannot possibly oppose it.

I do not want to talk about the negotiations in Brussels. I echo all that the noble Lord, Lord Boswell, said. I cannot add to that because I do not know what is happening and I understand neither our aims nor our methods. I am baffled, as is Brussels. Instead, I will step back a bit. I have a nasty feeling that we have been here before: a newly elected Government; an intervention in the Middle East, not hugely successful; non-intervention to assist a European neighbour invaded by Russia; and a Government seriously contemplating the possibility of stepping out from the task of forging a stronger, more competitive Europe—this is 1956. We paid for our Suez mistake over a generation in foreign policy.

Our worst mistake, however, was to walk out of the Val Duchesse talks which followed the conference at Messina and led to the Treaty of Rome. We knew almost immediately that it was a mistake. Prime Minister Macmillan tried to prise open the door that we had slammed behind us as we flounced out. However, it took 15 years to get that door open. Meanwhile the rules of the club had been written in our absence and inevitably to our detriment. Once we were in, it took us another 15 years to correct that detriment: to

establish, at least in principle, a single market; to bring down external tariffs; and to entrench free trade. It took another 15 years finally to deliver Mrs Thatcher's vision—the vision of the Bruges speech—of a wider Europe: bringing Budapest, Prague and Warsaw into the Union and to some extent laying to rest the ghosts of 1956.

How ironic that, under another Conservative Government, we are contemplating throwing all that away, renouncing our leading role in the single market—now of 500 million—and reverting to sovereign autarchy and isolation. It was a Conservative Party thinker who pointed out that the lone man lost in the Sahara has absolute sovereignty but is absolutely powerless. You have to be in to win. People have spoken about the Norwegians. To obtain access to the single market they have to accept EU rules, standards and specifications, and have no say in writing them. It was the Norwegian Foreign Minister who reminded us, "Leave, and you will be run by Brussels. Stay, and you can run Brussels".

Who would like us to leave? Mr Putin, obviously—he thinks only in zero-sum games and the weaker the West is, the better, as far as he is concerned. Our American friends, our Commonwealth friends, our developing country friends, our Asian investor friends: all urge us to stay in their interests and, they believe, ours. They find it baffling that we might want to repeat the Messina mistake; so do I.

I believe we owe it to the electorate to enable them to make a properly informed choice: to heed Mrs Thatcher's 1975 warning and see through the silly slogans and assertions, which will come from both sides, while realising the historical gravity of the decision. This is not a vote of confidence or no confidence in the Government. It is not an opinion poll on benefit cuts, devolution or austerity. As the noble Lord, Lord Tugendhat, said this morning, a vote to leave the EU would not be a reversible vote, like a vote in an election. The decision would be one that our children and grandchildren would have to live with, so we have to improve the Bill.

Others have spoken of extending the franchise. I agree with all three suggestions that emerged this morning. I support what the noble Lord, Lord Shipley, said and agree strongly with the case made by the noble Lord, Lord Tyler. I support what the noble Baroness, Lady Morgan, and the noble Lord, Lord Tugendhat, said about 16 and 17 year-olds.

On Clause 6, I admit that I am baffled. I did not understand this morning's exchange between the noble Lord, Lord Forsyth, and the Minister. The concern I have about Clause 6 is that I would like to be reassured that this additional provision, accepted by the Government in the Commons, would not affect practically the conduct of government business in Brussels to the detriment of the national interest. That is what I will be looking for.

The most important changes, or rather additions, that we need to make to the Bill are those about which the noble Baroness, Lady Morgan, spoke this morning. How can we ensure that the country is properly informed in advance on the consequences of a vote to leave? When in the last Parliament we in this House looked

at the Bill of the noble Lord, Lord Dobbs, we carried by a huge majority an amendment requiring the Government to report, before the referendum, on the economic effects of our leaving. The country really needs to know the legislative and statutory effects of leaving in the areas of responsibility of every government department, central and devolved. The country needs to know the effect on individual citizens resident here and resident elsewhere in the EU.

Above all, the country needs a definition of out. It needs to know what out means. As the noble Baroness, Lady Morgan, asked, what relationship with our shortly to be former partners would the Government envisage if required to take us out, and on what evidence do they believe that the 27 would agree? The economic consequences of repeating the Messina mistake would clearly be much bigger now, with the Union so much wider and stronger. To what extent, and in what negotiable ways, do the Government intend that they would be mitigated? The country needs to know, so getting the Bill right really matters.

I end with a tribute to the noble Lord, Lord Lawson of Blaby, not so much for what he said today—although there was a point in it with which I agreed—and not for the messages of despair about continental Europe and the need for us to escape from it that he has been sending us in recent weeks from his hideout in the maquis of continental Europe, but for the perception and generosity of his wise weekend words about Geoffrey Howe. I add a tribute in passing to the noble Lord, Lord Hennessy, for his contribution to that extremely moving BBC television programme on Denis Healey last week. Healey and Howe were two sparring partners and great statesmen—two very brave men and great Chancellors. I worked for them both, as I worked for their successor, and I know the importance that both would have attached to this referendum. Both campaigned in 1975 with Mrs Thatcher for us to stay in. Both were proud patriots with a sense of history and the knack of bending its arc our way, particularly in Europe—Healey with his link to Schmidt and Howe with his link to Delors. They would not have wished to see us repeat the Messina mistake. I really hope that we will not.

3.44 pm

Lord Balfre (Con): My Lords, referenda in the UK, as we all know, are a fairly new innovation. The first time in modern history that a referendum was used was in 1975, and their use was opposed quite vigorously by both Attlee and Churchill. They only came into being in 1975—the noble Lord, Lord Radice, gave us a very good history lesson earlier—to get the Labour Party off the hook, because it was deeply divided at that time. One part of the party wanted to be in, and the other part wanted to be out. Harold Wilson, who still stands high in my pantheon of former Labour Prime Ministers, went along with this suggestion, which I do not think he believed in for a minute. He went along with it, however, and the Labour Party—if I remember correctly—came up with the slogan, “Not on Tory terms”, without actually specifying what terms would be acceptable, because that did at least solve the immediate problem that the ones on offer were not acceptable.

I have always disputed the complaint that we are somehow in something that we were not promised. In fact, the whole 1975 referendum campaign, in my part of London, was about what this campaign is about: Brussels. I remember listening to people like Tony Benn and Enoch Powell saying exactly what is being said today—that Brussels would somehow run things. In the end, we had to come to a conclusion, and overall we came to a very clear conclusion in 1975. I can help my noble friend Lord Lawson, who earlier seemed to be searching for a slogan to show that there was something beyond Europe. From history, I commend to him the slogan of the *Morning Star* in 1975:

“No to a bosses’ Europe; yes to a workers’ world”.

That was meant to show that there was something beyond Europe that was vital and worth us getting.

The difference, of course, as has been said, is that the 1974-75 renegotiation was not the same as the present one: things are now very different. Today’s renegotiation, to be quite honest—which we seem to be in this House at the moment—is also to get the Government off the hook. It is as simple as that. The country is divided; there is a feeling that after 40 years, perhaps we should revisit this and have another go, but in fact, the options are far more limited today. There is really no option for any sensible person other than to maintain, and somehow build on, our relationship with Europe. The debate is about how we influence what we have got. Moreover, this is not the first renegotiation: Mrs Thatcher negotiated our terms in Europe much more fundamentally than this renegotiation will.

One of the delights of a long career in politics is that you can look back to all of the positions you have held—in my case, many have changed over the years—and at the changes in the parties’ positions. When Mrs Thatcher did her renegotiation, the Conservative Party was 100% in favour of Europe. I was in the European Parliament at that time. There was an odd little group called the H-block, led, if I remember correctly, by the late Brian Hord. They were in favour of something different, but overall, the Conservative Party was strongly in favour. The Labour Party was more divided. I am sorry that the noble Lord, Lord Kinnock, has gone, because it was actually he who turned the Labour Party round more than anyone else. Of all the achievements to which he can lay claim, the foremost was that he was prepared to grasp the question by the throat and he turned the Labour Party round.

The noble Lord, Lord Hunt, mentioned the negotiation by John Major to get Britain out of the social chapter. That was a really brilliant negotiation. Of course, what he conceded was that into the treaty went Strasbourg as the seat of the European Parliament. Tony Blair came into power and said, “We’re going into the social chapter”. The other countries said, “Fine. If you want to, we’ll amend the treaty”. I do not think France is going to say, “We’ll abandon Strasbourg” quite as easily, so be careful what concessions you give along the way.

I shall mention a couple of things concerning the present Bill, neutrally rather than hostilely. The British electorate are a jumble. Frankly, when citizens in Malta, Cyprus and half of Gibraltar can vote, but people who have worked in Britain for 20 years and who happen to have a French passport cannot, we are

[LORD BALFE]

in an area of lunacy. The only advice I would give is that they should change their nationality. They still have time to do it. I am very willing to give any European Union citizen a quick course on how to change their nationality to become a good Brit, and be able to vote in our referendum. It is actually not very hard if you have a clean record and have been here for a bit of time. My advice to them is to get on board.

On the voting age, have we not got into a mess? We seem to have one age for one set of elections and another age for another set. I say to the Minister and my colleagues that we had better get something sorted out, because what we have does not make sense. We have a very odd collection of different ages. I would not go for 16, but since it seems that half of elections nowadays go for 16, I will restrict myself to saying, "Please sort it out".

At the end of this debate, we are going to have to decide. I predict a rerun of 1975. I think the establishments of all the major parties will be saying vote yes, and the two outer wings will say vote no. Who are going to be the latter-day successors to J Enoch Powell and AW Benn? I am not going to start speculating. I can think of their names, but I predict that it will be like that. If I remember rightly, only Orkney and the Shetland Islands voted no in the previous referendum. There might be a few more no votes this time, perhaps some in Northern Ireland, because it has a habit of spiting itself. Some places might vote no, but overall I predict there will be an overwhelming yes vote. The TUC has indicated it is onside, as has the CBI. We have set up an all-party campaign, and I am working with my good friend, the noble Baroness, Lady Smith, across the aisle, to deliver Cambridge, one small but important city, for the yes vote. I look forward to getting a yes vote, getting this passed in some form or other and getting on with the job of being good partners in Europe.

3.53 pm

Lord Anderson of Swansea (Lab): My Lords, it is sad that, at this time, we do not have the benefit of the wisdom and experience of Lord Healey and Lord Howe, and we send our sincere condolences to the noble Baroness, Lady Howe, at this very sad time.

This debate is more limited in scope than perhaps it would have been earlier this year. The starting point is surely that, after the general election, the Government can claim to have a mandate. We now need to examine the details of implementing the electorate's decision.

In the other place, the Foreign Secretary declared that there are three variables: the date, the question and the franchise. On the date, the Government have stated that the referendum will be held before the end of 2017 and that the precise date will depend on the progress of negotiations. It has now been agreed that the referendum will not coincide with certain domestic elections. There is, however, a problem. In 2017, there are key elections in France and Germany. I agree with Liam Fox MP that, with all the different procedures in the 27 other member countries and the temptation for them to add favourite items, it is unrealistic to expect treaty change by the end of 2017. A post-dated cheque would obviously raise problems. We can do little about the date in today's debate, but it is worth looking at the

Guardian today, which suggests that there is not much urgency in the Prime Minister's approach to the negotiations. Perhaps the Minister could reply to that later.

The question was changed for the better in the other place; it no longer invites the answer yes, but is balanced and fair. So far as the franchise is concerned, the simplest solution is, of course, the normal franchise for a general election with the addition of Gibraltar, which has already happened, and Members of this House. However, there are still many absurdities. Citizens of one foreign country resident in the UK—namely Ireland—can vote. Only citizens from certain EU countries in the UK—namely Malta and Cyprus—can vote. Citizens of Gibraltar, who along with the Falkland Islanders would face the most adverse consequences if we were to remove ourselves as advocates for them in Brussels, have the vote. EU citizens who may have spent decades here and have policy interests across the board will not have the vote, while British citizens who live abroad and may no longer have any real stake in our country, will. Surely some consideration should be given to adopting the same rules as in local government elections to allow all other EU nationals resident in the UK for a certain period of time, perhaps three years, to vote.

I have a few observations from my personal experience. I was in a European department in the Foreign Office when we in this country debated the alternatives such as EFTA, the diversion at that time. I appeared with Edward Heath on the same platform during the 1975 election. This, as Yogi Berra is supposed to have said, is like déjà vu all over again. We have a divided government party wheeling in a device like a *deus ex machina* for party, not national, interest. I recall in 1975 the bald assertion that the referendum would result in the closure of debate on our EU membership. Tony Benn soon recommenced his campaign against the EU, which led to the disastrous 1983 Labour manifesto.

Another precedent is of course the current debate in Scotland on a second referendum on independence. It is claimed by some that our citizens need to be asked again, as there was no mention in 1975 of ever-closer union and vast changes have taken place since. I comment that ever-closer union, which the Government now seek to opt out of, was always in the treaty. Again, as no doubt the noble Lord, Lord Norton of Louth, would say, no institution is static. All political institutions are dynamic. Surely no one believed that the European Union would stand still. Still, David Cameron, our Prime Minister, wants his Clause 4 moment by seeking to avoid for us the movement towards ever-closer union.

I took part in the French referendum on the Maastricht treaty, successfully, I may say—just. Most of the debate at the time was wholly unrelated to Maastricht. That is really the problem: an in/out question can be easily misinterpreted. However, the referendum will not give a list of options for our people. What alternative would they favour if they were to vote no? How would we interpret a no vote? If the Government are so keen to listen to the people and have the benefit of their views, surely there should be a whole series of additional questions such as, "If no, what would you like to happen?"

My experience of the 1979 and 1997 referendums on devolution in my own Wales is that the result of the vote depends on who asks the question and when they ask it. In Sweden, for example, there was one brief moment when Swedish public opinion swung in favour of the EU, and that was the time when the referendum was held. There is a danger of a passing public mood which can determine the result; for example, if immigration were to rise to the top of the agenda of concern and were linked by the public to the EU.

One brief penultimate comment on the PM's position. Clearly he travels light on this issue, as indeed on most other policy questions. However, the noble Lord, Lord Ashcroft, claims in his book that Mr Cameron wants us in, come what may. Certainly up to 2012, knowing the resulting uncertainties for our business and inward investment, he gave powerful speeches against a referendum. It is his party and not national imperatives which have changed his position. It is a dangerous gamble for the UK as a whole since a no vote would deliver a powerful new impetus to Scottish independence. I wonder if that has been added to the Prime Minister's equation.

No doubt we shall examine the details of the Bill—particularly the question on the franchise for those who are 16 and above—and debate reports on possible alternatives. The referendum involves key decisions for us. It relates to how we see ourselves and our place in the world. Will we be stronger if we withdraw? Will we be taken more seriously by key players such as the United States, particularly in international trade negotiations? Will we be more attractive for inward investment? Will our car industry flourish with higher tariffs or will we be increasingly marginalised as a middle-ranking power but still—like Norway—be heavily influenced by decisions over which we have no say? The noble Lord, Lord Kerr, asked, “Who wants us out?”, and the list he gave was most instructive. Thus, beyond the details of the Bill are wider questions which I fear for party reasons the Government will seek to avoid.

4.01 pm

Lord Higgins (Con): My Lords, in waiting to speak this afternoon I have felt more comfortable than for many years because the Bench with a hole in it on which I habitually sit has finally been replaced. I mention this to reassure those who are still sitting on dilapidated Benches. It may be that the change here is a sign that austerity is finally coming to an end. I should add that one great advantage is that it is not as slippery, so that one does not find oneself sliding backwards and lying back and then being unjustly accused by the press of being asleep in a debate while listening to what people are saying. At all events, some things are improving.

I have always been totally opposed to referendums, and in particular to what one might call binding or mandatory referendums, which in effect represent the dictatorship of the majority and take no account of minority interests. They are the antithesis of representative democracy and leave Members of Parliament unable to wholly fulfil their jobs as representatives and not delegates. I was glad to see in a note prepared by the Library that this Bill,

“does not contain any requirement on the UK Government to implement the results of the referendum, nor set a time limit by

which a vote to leave the EU should be implemented. Instead, this is a type of referendum known as pre-legislative or consultative”.

For the reasons I have just mentioned I welcome that, but I am not at all sure that that is what is understood by the public at large who are going to suffer perhaps two years of debate on this issue and then find that the way the vote has been cast does not automatically get implemented by Parliament. If I may say so, I think my noble friend the Minister said in her opening remarks that the people will have the final say. Strictly speaking, I suspect that that is not true as far as the way that the Bill is drafted.

The other thing, which was raised by my noble friend Lord Norton of Louth, is that the Bill does not include any provision either for what should be decided as a decisive majority on the one hand or what should be the threshold for voting on the other. We will need to consider that in the course of debates in Committee and at later stages. There is also some danger that because this is being carried out against the background of a renegotiation, the vote will reflect whether people think that the renegotiation has been successful or not rather than the underlying question of whether we ought to be in or out. That could distort the result, perhaps to a significant extent.

It has been very difficult to discern what the Government's objectives are at the present time—many Members have referred to this—but it is clear that the Prime Minister and the Government are opposed to the concept of ever-closer union. But there is a real paradox here. The people who frustrate any move to ever-closer union are the bureaucrats in Brussels, because they are absolutely fixated on two things: the single currency and the free movement of people. Far from leading to closer union, both those dogmas have put them in a position which is more and more divisive. We were told that the single currency would lead to harmonisation and convergence, but that is far from the case. You only have to look at the recent disputes with Greece to realise that the effect of the single currency has been to tear countries apart rather than to bring them together. The situation is similar with regard to the free movement of people, particularly against the background of the extraordinary increase in immigration from outside the European Union, and the way in which this has caused great dissent between, let us say, Germany and Hungary. There is therefore a curious paradox that what the Prime Minister is against is effectively implemented by the bureaucracy in Brussels.

However, at all events, what is crucial is that because of these two issues, which we have opted out of, the Prime Minister has effectively opted out of participation in many of the most important issues, not least the ones I have just mentioned, which are going on at the present time. He has tended to opt out, which is very dangerous indeed. We need to get to a situation where much of the renegotiation should lead to us arguing for what is right not only for this country but for the European Union as a whole. At the moment, the issues I discussed earlier are greatly to the detriment of our country in terms of, for example, exports, problems with immigration and so on. So the Prime Minister has to ensure that he takes a far more active role in

[LORD HIGGINS]

Europe than appears to have been the case, because we have not been participating in those particular major areas of policy which I have referred to.

I will make one final point. All these tendencies have been recently for disunity in Europe, which could not happen at a more dangerous time. We cannot conceive of a situation where we have disunity in the European Union on issue after issue and then are totally united on participation in NATO. Personally, I am more worried about that situation than I can remember being for probably my whole adult life. These are important issues, and I hope that the Prime Minister will take a lead in the way I have suggested.

4.09 pm

Lord Greaves (LD): My Lords, this has been a fascinating debate, which has ranged far and wide over the major strategic issues of the last 70 years in Europe, since the last war, right through to the issues of today, such as the wording of the referendum question and purdah. However, the Bill itself is mainly about very technical matters; 48 of the 56 pages concern detailed technical issues to do with the organisation of the referendum. I hope—others may not agree—that when we discuss this in Committee we will be able to carry out the House of Lords' traditional role of scrutinising detail and spend at least a little of the time looking at these matters because they need scrutiny. There are a lot of ministerial powers set out here, for example, not just about the question of purdah, which I think we ought to look at and at the very least press the Government into saying what their intentions are.

On a minor detail, I express my personal thanks to the Government for the change to the Bill that means the referendum cannot be on 5 May next year, which is the day my current term of office as a local councillor comes to an end. If I decide to defend my seat, I would really prefer to do it without the encumbrance of a referendum on the European Union at the same time, which might divert attention from whether people want me again.

It has been a good debate and, in particular, I enjoyed the speech of the noble Lord, Lord Forsyth—who is not in his seat at the moment—who talked about going into battle waving a white flag not being the thing to do because you are giving up before you start. However, the problem is that some of us would rather that this referendum was not taking place and we have no real confidence that there will be any huge change as a result of the negotiations. The Prime Minister and others will come back with a huge amount of spin, trying to tell the country about all the great changes they have achieved, which will not add up to very much at all. To that degree, I agree with the noble Lords, Lord Forsyth and Lord Lawson, and people on their side. The problem is that I do not really want any changes before we have the vote. I am perfectly happy to vote for the European Union as it is now and get stuck in within the European Union to achieve what changes this country might like.

As for flying the flag, the noble Lord, Lord Elis-Thomas, said that he was responsible for flying some flags somewhere in Wales and had four in a row: one for Wales, one for the UK and I am not sure what the

others were. That is exactly what we did in the town I live in, Colne in Lancashire, where we have four flags flying outside the town hall. I always thought it was rather nice, all the flags you saw outside continental town halls when you went to Europe—the European mainland, I should say—so we have done it in Colne. We have the union flag, the flag of England and the European flag, which we were told people would come and tear down but nobody did. The only one anybody ever tore down was the union flag and they were football hooligans who wanted to run round the streets in a drunken manner, waving it. We also have the Lancashire flag. It took some time to get Lancashire County Council to agree to allow us to use the Lancashire flag, or perhaps it was the sheriff who had to agree—I am not sure. In the end I had to go to see Louise Ellman, who at the time was chairman of Lancashire County Council, to knock some heads together because they said the Lancashire flag could be flown only on the county hall and on the county jail in Preston. It now flies in Colne as well and that is the way to fly flags: fly as many as possible to represent the things to which people feel allegiance. The danger with flags occurs when one flag is dominant and it becomes very nationalist.

The noble Lord, Lord Lamont, said that there had been a European distrust of democracy and democratic accountability, but I suggest that democracy is more than simply having elections and electing a leader or a group of people every so often. Representative democracy is indeed at the very heart of democracy but other things are too—things such as the rule of law, due process, equality and freedom under the law, and concepts of citizenship. Many of those concepts are as well known within the rest of Europe as they are in this country, and in some cases better known and better understood than they are in this country. How much better it is to have all those long, tedious and, some people think, extremely boring and time-wasting meetings in which European politicians and officials negotiate farm payments at 2 am to meet deadlines that expired at midnight and so on than it is to have them organising arms to shoot at each other.

One of the great triumphs of Europe is that it is 70 years—at least, within the European Union—since people in Europe were organised to shoot at each other. That is a huge triumph of Europe and, given its history, 70 years is a long time for that to have been the case. Anybody who thinks that Europe could not revert to a situation in which some of the countries that are now in the European Union start shooting at each other again is living in cloud-cuckoo-land. You have only to look not very far away—for example, to the eastern part of Ukraine—or to remember what happened in the Balkans just over 20 years ago to realise that there is nothing special about Europeans and that we are not a special kind of human being that does not engage in that sort of activity. The European Union has been absolutely fundamental in questions of war and peace. I hope that we will manage to talk about that in the referendum campaign and not just about trade, although, as a Liberal, I am not going to say that trade is not important.

I have two more brief points to make. One concerns the question of voting by 16 year-olds or whoever. One of the huge problems under the new system of

individual electoral registration—which in general I support—is the registration of young voters. It is said that 2 million 18 to 24 year-olds are not registered and that among 17 year-olds—the attainers—only 25% are registered. That has to be tackled.

My final point is that it is all very well being able to vote as a British citizen living in another European Union country if you can get on the register and get your postal vote sent to you, but there is quite a lot of anecdotal evidence from the recent general election that people had problems with both those things. That is another issue that will have to be looked at if we have a referendum in which all these people in Europe vote.

4.18 pm

Viscount Ridley (Con): My Lords, I welcome the Bill. I believe that the Government are clearly acting in the national interest in giving the people the final decision on this matter and I congratulate them on keeping their manifesto promise in this respect.

I also congratulate my noble friend the Minister on her opening remarks, which very crisply set out what can be achieved by this referendum. As she said, it is absolutely vital that it is seen to be robust and fair. We want to settle this question for a generation. I will possibly vote to leave unless the negotiations come up with good results but, if I do so and I lose, I will not complain unless the referendum has been unfair, and I am sure that others on all sides will take that view. So when the Minister says that we need to strengthen the perception that the neutrality of the Bill is beyond doubt, I heartily concur with that sentiment. The wording of the question, which achieves the maximum level of neutrality, is a good improvement. I welcome that as well and echo what my noble friend Lord Norton said about the inherent bias in “yes” and “no”.

However, that is precisely why Clause 6 needs to be scrutinised very carefully. This is the clause under which exemptions to Section 125 of the 2000 Act can be applied for and where the purdah rules can be altered, if necessary, in the run-up to the election. I am concerned about the power to make exceptions to Section 125 and echo what the noble Lord, Lord Forsyth, said in his intervention on the Minister: that we need to see what those exceptions are as soon as possible and not just four months before the referendum. As the Minister said, we want a fair campaign so that the deck is not stacked in favour of one side or another. In his closing remarks in the other place, Minister John Penrose said that a 16-week referendum period with no announcements in that time will be allowed. Will the Government put that assurance in the legislation?

On the question of 16 and 17 year-olds, I was 17 in 1975. That means that I am one of the oldest people in the country and the House who has never had a say on the question of membership of the European Union. I am longing to have a say; I am looking forward to getting my chance at last. I am not sure that I would trust my 17 year-old self to vote sensibly on that matter, and that is probably partly why I think the Government are right to stick to the Westminster franchise on this—to disfranchise my 17 year-old self. It is the only way to solve the various conundrums that were raised by my noble friend Lord Balfe and the

noble Lord, Lord Anderson, about how to set this franchise. The easiest thing is to go for the Westminster franchise, plus, of course, Members of this House.

The timing of this referendum is key. Over the next few years, the European Union is going to change beyond all recognition anyway. The integration of the eurozone is clearly required and necessary. Even if one does not think that it is going to happen anyway, one just has to read the report of the five Presidents or the state of the union speech of Mr Juncker, in which he could not have made it clearer that there will be a new integration of the eurozone and that the UK will have to seek a new status of some kind within that arrangement anyway, by 2020. In a sense, all that we are arguing about is how much independence we will have and what form it will take. Personally, I think that the leap in the dark is to leap in with that very uncertain arrangement.

Many of the speeches today have prematurely joined the battle of the referendum itself, rather than the question of this Bill. In the interests of brevity, I will try to avoid that temptation—except to say that I look forward to a chance to join battle and answer some of the questions that the noble Baroness, Lady Morgan, raised at the beginning of the debate about what we would look like if we were outside. For the moment, I will answer it with one word: independence. The answer to the question from the noble Baroness, Lady Smith of Newnham, as to whether we would have a seat at the table, is yes, we would have a seat on the World Trade Organization instead of 1/28th of a seat.

In conclusion, I applaud the Government for bringing forward this Bill and urge them to stick to their guns and make absolutely sure that the referendum process is as robust and fair as it can be.

4.24 pm

Lord Rooker (Lab): My Lords, this is a narrow Bill, which I support. I do not think that it is a bad thing to ask the nation, 40 years since 5 June 1975, if they wish to remain in Europe or leave. Effectively, that was the question then. We were not asked to join; we were asked whether we wanted to remain or leave. In 1975, I voted to leave—I voted no. In the referendum that will follow this Bill, I will vote to remain. I have been of that view for many years. I will do so irrespective of the success or failure perceived of the Prime Minister and irrespective of whatever changes may or may not take place in the leadership views of the Labour Party.

Like many in the Labour movement, I was finally moved over by Jacques Delors when he came to address conference. It was a massive turning point because he put the case in a way that I had not understood or seen before. I am of the opinion that, warts and all, it is in the overwhelming interests of the UK and our EU partners that we remain. That is it, really.

A key amendment, and a view that I think is shared by many others, is to give the vote to 16 and 17 year-olds. I was a member of the Labour Party's Plant commission some 25 years ago. I was in a minority then regarding the voting age, but since then I have changed my mind—that is the second change today. It is clearly a vote for a whole generation. This is not, as someone said, for a five-year election; it is for at least 40 years, and I think they should have their say. Scotland has

[LORD ROOKER]

shown that it works. We have had a practical example: it works. The past couple of weeks, in the Lords outreach schools programme, I have been in two secondary schools and the issue was raised at both of those.

I also think the issue of the franchise has to be looked at. People who have settled here with indefinite leave to remain have planted their life in this country, and irrespective of their technical nationality their commitment is to stay here; they really should have the vote. You cannot justify the various changes that have been debated in the Chamber today, with two other Commonwealth countries being part of the EU and the situation we have with the Irish Republic, a member state of the EU—we have peculiar, discrete voting arrangements for people from the Irish Republic in our elections here, which of course should continue. The fact is that people should be treated the same. If you put your stake in the UK, and this is a matter for the UK, I think you should have the vote.

I am a bit concerned that a lot of people have said that the TUC is on board. Some of the trade union leaders, I have gathered from the past few weeks, are a bit flaky.

Lord Lawson of Blaby: If people from France or wherever wish to commit to staying here for the rest of their lives, they will be naturalised British and the problem does not arise. Most of them—and I know a number of them—intend to go back at a later stage to their own countries. They still feel that that is where they belong.

Lord Rooker: That is not relevant to what I was saying.

I am concerned that some of the trade union leaders are a bit flaky, and I think the members of the trade unions should ignore them. Is the answer to the Tories taking the UK out of the Social Chapter to leave the EU altogether rather than campaign to change the Government so we can rejoin the Social Chapter? It beggars belief that some trade union leaders have said this. The words “donkeys” and “leadership” come to mind.

I have a technical question. No one has raised this, and I do not mean this in any way whatsoever personally for anybody. It is a technical question about the EU pensioners. There are several of them, several classes of person, who are EU pensioners. In some ways, it looks like a vested interest to any reasonable person, a citizen, for them to be involved in the campaign. In certain circumstances, the oath that they take binds them to the EU, and there are pension payments. This is a technical question for the Minister: Is it possible for an ex-Commissioner or other staff of the EU who are retired to campaign for the UK to leave and still be eligible to collect their EU pension? I do not mean this in any personal way, but the fact is this campaign will get dirtied by parts of the press. The sooner we get out the vested-interest issue and declarations of interest, the better it will be for everybody. It is best not to wait until the last time.

I cannot deny that Brussels interference rattles me, both as a Back-Bencher and when I was a Minister. I reckon in some ways, if the EU were a fully federal

state, with elected, quality Commissioners, we would end up with more powers going back to the member states than are residing in Brussels. More powers to an unelected Commission stands in the way of progress.

Some of those powers must involve member states having a say on how big they get. Eurostat projections show that the UK will grow faster than any other member state. By the mid-2040s, the UK will be the most populous country in the EU, with 77 million people, ahead of Germany with 75 million and France with 74 million. Unplanned growth on this scale is not on in respect of what we do in this country, in respect of the infrastructure and water resources and everything else—nothing that I have seen in Whitehall over the years shows that we are prepared for it. I am not making a point about immigration or free movement of people; the fact is that it is a consequence and it is going to happen—the forecasts are there and they will turn out to be right. It is an issue that the member states should have some say in.

The balance of competences review was referred to earlier. I was at the Food Standards Agency at the time and we proposed a joint submission with Defra—that was the way we did it. It was clear so far as food safety was concerned that, with UK, EU and the international regulations which oversee both world trade and the Codex Alimentarius, it was overwhelmingly in our interests to stay. Of course, the powers that be at Defra at the time, the high command, tried to water it down. The FSA stood firm against it—two government departments were involved; the Secretary of State at Defra was not that keen.

On trade, I remember going to New Zealand on a private visit and discussing with farmers there the issues that they had in exporting—it is a major area of export. They just made it clear: “We get the instructions from Brussels, and we have to follow them”. That is exactly what will happen to the UK. We do not have to go to Norway to see what will happen; we can go to a major trading partner such as New Zealand.

The issue of the threshold, which has been raised a couple of times, will have to be looked at. What if, on a low turnout—let us say, less than 50%—the majority is narrow? This decision is for a generation—40 years; this is not like when we had the debates on the alternative vote issue, which was a blip, a snapshot that could be overturned the following week. What are the rules? There is no sense in having the debate after the result. We need to discuss it beforehand and this House is in an ideal position to be able to advise the Commons in some ways to think again.

The UK should be at the EU table out of choice, not dragged there in a sulk, which is how we have been for decades. Having a continuously troubled relationship—because that is what we have got—under Governments of both parties is not in the UK’s best interests, let alone those of our partners. We will never win allies for change, which is what we want. How will we get allies if we are there sulking and always seeming to be troubled? The prize of having a set of sovereign nation states, working together democratically and coming together for the big issues, is a prize well worth having, which is why I shall support continued membership.

4.33 pm

Lord Borwick (Con): My Lords, it is important to commend the Government on introducing this Bill. I am just old enough that the first time I voted was in the first referendum—but that was to join a trading bloc and it has changed a lot to become the EU. It is high time that the people were asked again for their view on the EU.

It is also good that there are restrictions on government activity during the last month of the campaign. This will allow for proper debate during the run-up to the referendum that is not swayed by government resources or prestige.

I broadly support this government Bill and we must be extremely careful in amending it. Any amendments made will be reviewed through the prism of politics and might easily, and most likely correctly, be analysed as blocking amendments rather than improvements. Let us not try to fight the referendum by proxy through blocking amendments to the Bill. Our job in this House is to improve, not to block.

I am particularly concerned about potential amendments to widen the franchise to 16 or 17 year-olds. The Americans rallied to “no taxation without representation”. The inversion must surely be true: no representation without taxation. So what taxation is proposed for newly enfranchised 16 and 17 year-olds? If this amendment were to make it on to the Bill, it is incumbent on those who proposed it to answer this question.

Schooling or training is compulsory for this age group, so how can we now suggest that their education is so complete at age 16 that they are qualified to take part in elections and referendums? Perhaps we can create a link between truancy from school and voting. If 16 and 17 year-olds can vote, should they also be criminally liable for truancy? We are talking about young people who cannot enter binding contracts or sit on a jury. As I mentioned, this amendment is a perfect example of a block pretending to be an improvement by just changing the franchise.

The only bigger-picture problem that I see is if the negotiations going on now produce a third way—a sort of associate membership of the EU. If that happens, what becomes of the referendum question? Is the question asking: should we leave the existing EU, or remain in a new form of membership? Will the EU Referendum Bill have to be amended before it is used? Only time will tell. In the mean time, let us put this question behind us for a whole generation.

4.35 pm

Lord Hannay of Chiswick (CB): My Lords, whatever one’s view on the value and democratic viability of referendums—my own remains somewhat between the sceptical and negative, rather closer to those of the right reverend Prelate the Bishop of London and the noble Lord, Lord Higgins, than to some others: a scepticism that was reinforced by the experience of the recent referendum in Greece—the matter of holding an in/out referendum in this country before the end of 2017 was settled, so far as I am concerned, on 7 May, when a party with a commitment to such a referendum won an overall majority in the House of Commons.

Our constitutional practice means that the Bill enabling such a referendum to be held must go into the statute book without undue delay, leaving the Government some flexibility as to the date in 2016 or 2017 that they choose to hold the vote—a flexibility which I suggest is essential if Britain’s negotiating hand in Brussels is not to be damagingly constrained. I respect that practice, which does not of course preclude amendments to the Bill—and they will not be blocking amendments. The noble Lord who spoke before me seems to have ignored the fact that his own party gave the vote to 16 and 17 year-olds in Scotland. Are they paying tax? I do not know.

We need to think very long about the possibility of amending the Bill because there are shortcomings in its present form and they are capable of being divided, as most speakers have done, into two categories: franchise and policy. If I have heard the phrase “the people must have their say on our EU membership” once, I have heard it a hundred times and I have no doubt that it will, and has, come up in this debate. But who are the people who are to have their say? That is the question. It surely demands great care and imagination when one considers that the decision being taken will last far longer than a single Parliament and will affect fundamentally far more people than currently get the vote in our parliamentary elections, which is the franchise in the Bill before us.

The essence of democracy is surely that people who will be affected by a decision should have their say on it. Here there are three groups who, in the Government’s Bill, will not have their say on it. First, the 16 and 17 year-olds. This group of young people was given the vote in the Scottish referendum last year and the general view seems to be that they exercised it responsibly and in large numbers. So why are they not to be given the vote in this referendum—which, like last year’s vote, will affect their lives for far longer than the rest of us?

The second group comprises British citizens living elsewhere in the European Union who lose their vote after 15 years outside this country. The manifesto of the party with a majority in the Commons contains a commitment to give them a vote in future parliamentary elections, quite rightly in my view—so why on earth are they to be excluded from the one vote that they are most likely to want to exercise? That does not make much sense, and I regard it as pretty aberrant myself.

There is also the question of EU citizens who have been for a certain time in the UK. They, too, were given the vote in the referendum in Scotland. They, too, will be fundamentally affected by the outcome of this referendum. It is surely anomalous that Irish and Commonwealth citizens should be able to vote—which I personally welcome and support—while French, Dutch, Poles and other EU citizens will not. Do we seriously dispute that the German or Italian citizen living here will have more at stake in the outcome than will a Sri Lankan or a Kenyan?

Switching now to the policy issues raised by this legislation, there is, above all, the need to provide voters with objective information for which no provision is made under the Bill. There will be plenty of advocacy on both sides of the argument—I may be responsible

[LORD HANNAY OF CHISWICK]

for some of it myself—but it will not be, and will not be intended to be, unbiased. Yet as we know from opinion polling, the public are not much interested in, or knowledgeable about, much of the important technical detail of our EU membership. There is a general lack of the sort of independent analysis from outside government bodies such as the Office for Budget Responsibility, or like the Institute for Fiscal Studies provides on election manifestos before general elections.

Surely we need a statutory requirement on the Government to ensure that objective information is made available in good time. There is also, after all, plenty of recent evidence-based material to draw on in the form of the last Government's *Review of the Balance of Competences*. That may be too long and too detailed for the average voter to absorb, but surely a digest of its conclusions could be made available to the electorate. There is the crucial matter of the possible consequences of a no vote. It is a vital requirement that the electorate should know what would happen in those circumstances, however much I hope they will not arise. Otherwise, a no vote will be a simple leap in the dark. That is becoming a little bit of a mantra now, but it is true nevertheless.

We have seen that happen recently in Greece. This is not just about the trading alternatives—EEA, Switzerland, or none of the above—important though the choice in that respect will be. We also need to know what will happen to farm policy, research policy, law and order issues and business regulation—all of which would be fundamentally affected by a decision to withdraw. These consequential issues need to be spelled out by the Government because it will be they, not the no campaign, who will be left holding the baby if a majority of the electorate votes to leave.

In 1975 the Government produced a document called, *If We Say No*. I suggest that the Minister might like to have a look at it and consider whether the Government should reissue a document of a similar nature. It was sent to all electors. It was clear and well written, and much of it is as relevant today as the day it was written.

A contribution to this debate would not be complete without a word on the implications of an EU referendum for our own union within the United Kingdom. These could be far-reaching and dramatic, particularly in the event of a vote to leave the EU. Who seriously doubts—I know that the noble Lord, Lord Forsyth, seems to doubt it, but I have not found many people who do—that a vote in the face of a Scottish vote to remain and by the rest of us to leave would trigger another independence referendum in that country, which would be all too likely to prevail? Who seriously doubts that a decision to separate the two parts of the island of Ireland into one part outside and one part inside the EU would be a major factor destabilising the Good Friday agreement, which is already under considerable strain? These issues are critical for our national future and should surely give pause for thought to anyone thinking of leaving.

I conclude by saying that the debate will obviously be pretty sharp. I hope that it will not be dominated by negative clamour. The purposes for which the European Communities were founded more than 60 years ago

were noble: to put behind us for ever the appalling history of disastrous conflicts in order to achieve security and prosperity for all Europeans. They remain as true and valid today as they were then.

After a hesitant start, this country has played a significant and influential part in shaping the European Union. Look at the single market, the liberalisation of world trade, development policies and the inclusion of countries in central, eastern and southern Europe. There you will see policy choices and outcomes in which we took part and in which we should now take pride. I believe that it is in our interest to continue along that road and to strengthen the European Union in a flexible and pragmatic way. I sincerely hope that this referendum will do precisely that.

4.45 pm

Lord Blencathra (Con): My Lords, I apologise to the noble Lord, Lord Hannay. I tried to get out of the starting blocks too quickly and almost interrupted the end of his speech.

As a 22 year-old in the Highlands of Scotland I and my brother campaigned hard for a yes vote in the 1975 referendum. We said that joining the Common Market would be good for farmers, good for businesses and we even told fishermen in the little village of Avoch in the Black Isle that it would be good for our fishermen too. What a lie that turned out to be, as our fishing grounds were stripped bare and there are no fishing boats operating from Avoch anymore.

What were the arguments we were told to make then—arguments in which we then believed? We said that, to the east, there was the massive Warsaw Pact trading bloc with 300 million customers and, to the west, the USA and Canada with 300 million customers. Unless we belonged to a big trading bloc, then we would be frozen out of world markets. That was a credible argument at the time. Then along came GATT and the World Trade Organization, which gave even tiny little countries access to world markets, so that Norway, Taiwan, Singapore and others have flourished without being part of a big trading bloc.

Then the European integrationists changed the argument and said that, although we did not need to be part of a big trade bloc to survive, it would be better if we were part of a large single market whereby we all had unrestricted access to others' goods and services. Even Margaret Thatcher was persuaded, although she later realised that it was another big con. Although it was implemented by the UK, swathes of EU services have not allowed us access. As good Europeans, we permitted European companies to buy up our transport, water and energy companies, but we did not get equal access to theirs. That was probably our fault rather than the EU's but, even on this substantial change, the British people had no vote.

Then we had the Maastricht treaty. It was rejected by Denmark in a referendum and, of course, Denmark was made to vote again until its people obeyed the European diktat. On the night of the Maastricht no vote, the noble Lord, Lord Hannay, and I were in Rio. We were negotiating on the first Earth Summit in 1992. We saved the world then. On that night, I was at a function in the Portuguese embassy. Portugal held

the presidency but, as soon as Rio was over, Britain had the presidency and it was our job to speak at the United Nations on behalf of the EU. The EU was desperate to sign the convention itself but it could not; only nation states could. I chaired a meeting in Brussels and knew in advance that this would be coming up. So I called on the Commission lawyers, who said that we could not sign as the EU; it was illegal and against UN rules. I called on our presidency lawyers, who said that we could not do it; it was against EU laws. I called on the German Minister, who said that we could not do it; it was against the law. By this time, the buttons were being pushed, the red light was flashing and a southern European Minister said, "What is all this talk about the law? Let us just do it. Who is to find out?". That coloured my view—perhaps unfairly—of many of the things we did in the EU.

After Maastricht, once again the British people had no say, even though our sovereignty was fundamentally reduced and our relationship with the EU changed. Then we had the Lisbon treaty, this time rejected by the Irish, who were made to vote again until they came up with a yes vote. Again the British people were given no say.

The next argument used by the European integrationists was that the British economy was so inefficient in comparison to France and Germany that we needed to be in association with those countries in order to benefit from their industrial practices. Well, that would certainly have been true in the 1960s and 1970s, but not now. We have the fastest-growing economy in Europe, if not the G7. We have record employment and the majority of our trade is with the rest of the world, not the EU.

The EU is in decline; it is paying itself too much, is not working hard enough and its "social Europe" pay and benefits systems are dragging us down. Europe is uncompetitive in comparison with the USA and the Asian economies. We are trapped in a declining post-war concept which 33 million Britons aged under 59 do not necessarily understand or have had any say in. I once asked my distinguished predecessor, Willie Whitelaw, why he was so keen on Europe. His answer was, "David, if you had been through the war, then you would support any organisation which kept the peace in Europe". I said, "But, Willie, NATO did that", but he responded that political union was a price worth paying for all of us if it kept Germany, France and Italy at peace. I deeply respect that view from a brave Military Cross holder, but the world has moved on since then, but the vision of the old men of the post-war era has not, whether it is Adenauer, Willie, Ted Heath, Wilson, Monnet, Schuman, Brandt, Schmidt, Kohl or d'Estaing. A united political Europe may have made sense to deal with the problems of Europe in the 1950s and 1960s, but it may be irrelevant to our global economy 60 years later. Nor, it seems, have the views changed of those who told us that the UK would die unless we joined the euro. So many of those saying at the BSE launch yesterday that we must stay in or perish were the same ones who got it 100% wrong on the euro. The British people may want to take that into account when weighing the arguments on both sides.

We now need to get the views of the 33 million people—that is an estimate by the Library—who have had no say in the development of this political union

since 1975. Our whole electoral roll is about 46 million, I believe, and therefore 75% have never had a say in the creation of the European superstate. I cannot see how anyone can object to consulting the British people on the terms proposed in the Bill before us, which I completely support. Let us have a vote for the first time in 40 years, and I ask the Government to set out the facts clearly. We must have a White Paper setting out what changes the Prime Minister has obtained and the consequences of leaving the EU and of staying in. We know the risks of leaving, but staying in could be a bigger leap in the dark as the EU pushes for "more Europe". We heard the vision of President Hollande last week, we have the five presidents' report, and a White Paper to set out just what the Prime Minister has achieved is important, but also we need information on the likely direction of the EU over the next few years. We need to deal with the claim that 3 million jobs will be lost. That is just not credible; 3 million jobs may be tied to EU trade, but there is no suggestion that that trade will suddenly stop.

I say to my noble friend the Minister that we need to see the draft regulations which the Government are proposing on purdah. I accept the Government's word that they will not seek to claw back the concessions on this made in the other place, but I understand that they have said that some clarificatory regulations will need to be made. Well, if the Government have concluded that there are areas which need clarification, they clearly know what those areas are and we want to see the drafts of the regulations before the Bill goes back to the Commons.

The EU has changed beyond all recognition since I voted for a Common Market in 1975. We never expected to be sucked into a complete political union with our rights to negotiate at the international institutions of the world removed and our voice replaced by the EU, especially at the World Trade Organization. We Britons have always had a world view. We are not little Europeans. I want a Common Market with the world, not a common EU Government. That is the debate I believe we need to have and I think it is the debate we will have over the next 12 months. I believe it is high time that the British electorate had a say. I support the Bill.

4.54 pm

Baroness Crawley (Lab): My Lords, several kindly colleagues from the Benches opposite have spoken to me recently about the interesting times that the Labour Party is living through. Well, I think they were being kind. I have news for these colleagues: however interesting they think my party is at the moment, it will be as nothing compared with the interesting times we could be living in, as a country, in a few years. This is because, as many noble Lords have said, to appease the Eurosceptic wing of the Conservative Party and to call home those Tories caught flirting with UKIP, the Government are—how can I put it?—in Farage-ing for votes, in danger of sleepwalking out of the European Union and consequently breaking up the United Kingdom. Unlike the noble Lord, Lord Forsyth, I believe that if Britain leaves Europe, Scotland will be far more likely to leave Britain and we will be left to our own, much-reduced, devices. We could well end up a slightly warmer version of Iceland—although this

[BARONESS CRAWLEY]

Chamber would not let you know that this afternoon—with much poorer economic trading and prospects than at present, as many noble Lords have already said, and with much less protection and regulation for working people and our environment. This self-infliction is happening at a time of unprecedented globalisation when it comes to the importance of successful trading blocs and solving damaging climate change at an international level.

My party is supporting this Bill in principle. Before anyone reminds me, I know that was not the case before the general election. As JK Galbraith once said:

“Nothing is so admirable in politics as a short memory”.

We are where we are, whatever my opinion of referendums. While supporting the Government’s Bill, we will of course seek to improve it, especially in the area of broadening the franchise to include UK citizens aged 16 and over, as many noble Lords have set out so ably today. If we believe that this referendum will settle our relationship with the EU for at least a generation, our young people, who will reach adulthood—and indeed middle age—in that time, should have a say in the moulding of their future. I sincerely hope that the Government will think again on this very important aspect of the Bill.

We are also keen to ensure that, as the noble Lord, Lord Hannay, and others have called for, the Government make non-partisan and evidence-based information available to the British public regarding our membership of the EU and the consequences and effects of withdrawal from it. As several noble Lords have asked, what are the alternatives? We need to know.

My party has long been committed to Britain remaining a member of the European Union, and continues to be. There is, of course, diversity of opinion in both our party and the country. Individuals are free to campaign as they see fit. However, Labour will make the case for Britain remaining in the EU, because we believe that that is the progressive choice and that the EU has helped the UK to create jobs, secure growth, encourage investment and tackle best those areas of our lives that inevitably cross borders—areas such as climate change, tax havens, terrorism and, currently, getting a grip on the unprecedented refugee crisis. Yes, late in the day, and after much chaos and catch-up, a plan is emerging at EU level for how to deal with so many war-weary people seeking a new life away from death and devastation. Even now, many on these Benches would call on the Government to think again about their decision not to take responsibility for at least a modest proportion of those refugees newly arrived in other EU member states.

While the Labour Party retains its pro-EU stance, we will oppose any attempts by the Government, in their pre-referendum negotiations, to water down, or undermine, our hard-won European Union rights—as individuals and in the workplace. However, we are clear, as my noble friend Lord Rooker has said, that the answer to any damaging changes that the Prime Minister brings back is not to leave the EU but to pledge to reverse those changes by campaigning to stay in, to strengthen our hand and to work towards a

Labour Government. As a former Member of the European Parliament who worked on these policies, the European Union inspired maternity leave, parental leave, paid holidays, consumer rights and health and safety standards. I know that these are flags of hope for British people, not flags of surrender, as has already been said.

None of this is to say that the European Union is perfect—quite the contrary. I share the frequent frustration of many British people with the way the EU goes about its business, with a perceived—if not actual—lack of transparency and accountability in decision-making, and with a gulf between well-intentioned, high-level EU rationality and local grass-roots demands for greater openness and devolved powers. We have to regain people’s trust in EU decision-making during the coming campaign.

My party wishes to see reform in Europe on benefits, on how the EU relates to national Parliaments, on state aid rules, on reform of the EU budget and on the further protection of British workers as we move into a more digitised and robotic workplace future, where even the Governor of the Bank of England has said recently that every job he did when he worked at Goldman Sachs could now be done by robots or computers. The answer to that future workplace automation and the depopulation of British careers is not to row ourselves further away from the EU and the possible answers that we could find there, hoping for the best. It is to stay in, complete the single market and boost jobs and growth.

None of this reform happens in a Union of 28 countries without constantly building alliances with our EU partners and arguing the case. I sincerely hope that that is what the Prime Minister is doing in this renegotiation phase, along with recognising where British influence has already played a significant role in developing good EU policy. The Prime Minister’s return from his negotiations is as eagerly awaited by us all as the next series of “The Great British Bake Off”. Let us hope that there will not be too many half-baked outcomes.

We all approach this referendum in our own way. I will do my best to make a well-founded but essentially hopeful case for a British future in Europe. I believe that the British people respond to hopeful campaigns over fear-inducing ones and as we approach the work on this Bill, I hope that—especially for our youngest and newest referendum voters—there will be a thirst to understand and learn more about why we all think our relationship with Europe is important, whatever our in/out stance may be. A shared history in war and peace means that for many of us, decisions on our relations with the EU will always be coloured by a recent past where democracy itself was hard fought-for and we stood shoulder to shoulder with our European neighbours. We should continue to stand shoulder to shoulder with those neighbours into an uncertain future.

5.03 pm

Lord Bowness (Con): My Lords, the Bill is a Government manifesto commitment and it must pass as quickly as is reasonably possible. I make that statement of the obvious lest anything I say subsequently should be construed in some way as an attempt to oppose the

Bill. Having said that, I am afraid that I do not recant from my previous opposition to the idea of a referendum. I regret the Bill. I submit that it is unnecessary and, in the present circumstances, unwelcome.

It is unnecessary because of the European Union Act 2011, which has already ensured that there can be no transfer of powers to the EU without a referendum. It is unwelcome particularly because the Government have deviated from the 2010 position of the Prime Minister, who at that time was against an in/out referendum, and because it represents a success for those whose only agenda is our exit from the European Union.

I wish the Prime Minister well in his efforts to reform matters of concern to Britain and people of all parties. However, I fear that nothing he can bring back from these negotiations, short of a proposal to leave us outside the European Union, will satisfy those whose desire is to see us in precisely that position. It is unwelcome because, unless the result is a vote to leave, it will settle nothing: the Scottish referendum must have at least taught us that. For how long will we consider the issue to be settled: 20, 30 or 40 years? I submit that some choices and decisions made by nations cannot constantly be subject to review. Shall we demand a vote on membership of NATO, which commits us to taking up arms to defend a fellow member? Are we to argue that NATO is a post-war construct, entered into in different times and different circumstances, and that its role is now different from that envisaged by the founders? These are arguments often deployed in connection with the European Union.

Moreover, the referendum is unwelcome because the uncertainty created by the possibility of a British exit is not necessary. A competitive Europe, yes; expanding the single market, yes; a less regulated Europe, yes; but none of that demands treaty change. It merely requires determined working with our partners to negotiate changes to individual pieces of legislation. We will not challenge the fundamentals that would involve treaty change. Everyone acknowledges that that is politically impossible, in terms of both the timescale and the likelihood of obtaining unanimity. Lastly, it is unwelcome—and this is perhaps the greatest cause of its being unwelcome—because it brings into question our membership at a time when we need to be at the heart of the Union, working with our partners on the great economic problems and the problems of immigration, refugees and security, to name but a few.

It is often said—and it has been said this afternoon—that the EU's original aims have been achieved: that peace in Europe is no longer threatened. Yet the growth of nationalism, extremism and the surrounding security problems must surely mean that we cannot take any of that for granted. The European Union has been a great driver for peace and democratisation in the continent, and it still is: ask the countries that want to join. When I meet parliamentarians from other countries at meetings of the OSCE, they cannot understand why we are putting ourselves in the position of a possible exit, and they are concerned that it might happen. I urge my noble friends in the Government to ensure that we make clear our wish to remain, not just by words but by deeds.

The migration and refugee issue is but one case in point. I acknowledge all that the Government are doing and their reasons for doing it in the way that they are. However, could we not just acknowledge that many small countries in the European Union and many of its neighbours are struggling with problems that are testing their capabilities and resources to the limits? If we are not to take any of the refugees from Europe, could we not offer some logistical assistance on the ground to show that, while we are not part of Schengen, we are not blind to the problems of our fellow Europeans? We can offer aid to the Caribbean, assistance to the Saudis for their prisons, put soldiers on the ground in Sudan, and offer China money to spread the word about British football. A little help for the Greek islands would perhaps be a little more appropriate and would certainly help our negotiations and the building of alliances that have already been said to be so essential in the process on which we have embarked. The case for membership has to be made now, not at the end of the negotiations. The out lobby is already working flat out because it does not care about the outcome: the only issue is whether it can win the vote to come out.

Much has been said this afternoon about the franchise. It is a strange Bill whereby the citizens of three EU countries, who are not UK nationals—the citizens of Ireland, Malta and Cyprus—will have a vote because they are Commonwealth citizens. In addition, there are non-British nationals—we do not know how many; at least, that is what I was told in answer to a Parliamentary Question I tabled in the previous Parliament—resident in the country who are Commonwealth citizens who have the vote. This is probably an issue for another time but, given that we are one of few countries, if not the only country, to allow non-citizens to vote in national elections, the parliamentary franchise needs an urgent review to examine the justification for allowing citizens of Ireland and the Commonwealth this right.

I hear the argument that to change the franchise might delay the vote, but in an age when you can be entered on the electoral roll only a few weeks before an election, some change should be possible, and it should be made in respect of UK citizens resident in other European Union countries. We already have a manifesto commitment to extend the franchise, and since the potential effects of withdrawal would impact on such UK citizens, they are entitled to have a vote.

As other noble Lords have said, we need independent factual information upon which the public may base their decision, and against which they may judge the statements of the in and out campaigns. We need to know what the Government will do if the vote is to leave. We need to know what they will seek. Voters must know what may change in the event of a no vote and the effect it will have on them. Crucially, it must be made clear that what rights are retained will depend on the outcome of the exit negotiations, and that it will be a matter not for us but for the other 27 member states. We will not have a vote.

I therefore hope that my noble friends will accept that although this Bill will, according to the conventions, pass, those conventions do not preclude amendments being sought and supported by many of us. There may be other Members from these Benches—not just me—who

[LORD BOWNESS]

will attempt to improve the Bill where we consider it necessary. After all, those with a different view from mine fought their corner in the other place. I shall seek to fight mine here.

5.12 pm

Lord Maclennan of Rogart (LD): My Lords, it is a privilege to follow the noble Lord, Lord Bowness, with whom I broadly agree and have done for many years. The noble Baroness, Lady Anelay, opened this debate in a very clear way and expressed the views of the Government with regard to the Bill with clarity and balance. I hope that she will listen to some of the arguments that have been deployed today.

I am sufficiently old to recall the Second World War. When I was a boy, the street in which I lived in Glasgow was bombed and 12 people were killed. The next day, I was sent to the country to stay with the then chairman of Mowlem who had taken a house which was thought to be free from the likelihood of bombing. None the less, that experience has driven home to me the sense that the European Union has achieved a great deal for peace. It is now 70 years since the Second World War. I remember the French vetoing the European Defence Community and thinking that that was a tragedy.

The Government have put forward this Bill at a very awkward time. It seems to me that the public's decision may be related more to the outcome of the renegotiations than to a sense of whether belonging to the European Union is in Britain's interests.

The Prime Minister, for reasons that I fully understand, has not disclosed what his objectives are. That is understandable in light of the likelihood of the Europhobes saying that it was not enough. If he were to say what his objectives were, he might have to come to Parliament and to the people and say, "Well, I didn't achieve all that I wanted to, but I have done my best". We should have entered this national debate with a recognition that change—and change is needed—would take a long time, and that the best way to achieve it is not with one country taking on 27 others and saying, "Stand up to the mark".

The noble Lord, Lord Kerr of Kinlochard, was the initiator of the last convention on the future of Europe, which seems to have achieved a great deal, and was implemented in particular by the treaty of Lisbon. That is the way in which we should achieve change: not with one against 27 but by bringing together a consensus among people in the European Union, recognising where we need to go. However, the manifesto of the Conservative Party promised this to the people. I fear that if the English reject membership of the Union, Scotland will stand up and say, "We need another referendum". That would be a disaster.

At this point, the Government have to give some indication of what the consequences of leaving the European Union would be. That has been called for by a number of people speaking in this debate and it would be something that the Government could take into account, following the 1975 example.

Membership of the European Union brings us into harmony with most of the 500 million people living in the Union, and gives us a voice and influence in

negotiating with other countries, particularly the growing countries such as China and India, and the United States. If we were not in the Union, our voice would be barely heard, despite our history of global involvement.

So far as the Bill is concerned, the franchise is too limited. We should provide that 16 and 17 year-olds have the power to vote. We ought to follow the Government's commitment in their own manifesto to give people who have lived beyond this country for more than 15 years an entitlement to vote. We should also entitle people who have come from the European Union and are European Union citizens to vote.

These are necessary changes in the Bill. They are not fundamental but they would make the outcome seem fairer and longer-lasting. We should not close the debate by saying that the referendum is final; instead, we—and particularly the Prime Minister—should initiate a convention on the future of Europe, because many of the changes that we want to see, including treaty change, cannot be achieved by 2017. That is a difficult year because of the French and German elections. Treaty change will be involved if we are going to see the European Union develop as we would wish.

5.21 pm

Lord Blackwell (Con): My Lords, it is a great pleasure to follow the noble Lord, Lord Maclennan, whom I greatly respect even though we often disagree on this topic. Before I begin I should make clear that, while I have a number of business interests set out in the register, in speaking today I will be setting out my personal views.

Given my contribution to previous debates in this House on this topic, you will not be surprised to learn that I strongly support the Bill and the proposed referendum. Indeed you may remember I introduced a Bill into the House in 2004 to bring about the promised referendum on the European Constitution, a referendum opportunity that was sadly missed. Like others, and given the huge changes in the European Union since 1975, I believe even more strongly now that a referendum is long overdue. I also strongly support the Prime Minister's attempt to negotiate a more viable relationship with the European Union before the country is asked to decide on continued membership.

The fundamental reason for those views is the continued drive, reinforced by the Lisbon treaty, to move ever closer to a political and economic union among the majority eurozone and would-be eurozone members. It is essential that they do so to provide the cross-country financial support, common fiscal discipline and common social policies that they need for the euro to survive. We should not stand in their way but that means that the current position of the UK—bound by the same treaties and institutions—may become increasingly unsustainable. We are not and never will be part of the eurozone, so the reality is that we cannot be at the heart of a European Union that becomes increasingly focused on the governance and political decision-making of an integrated eurozone core. With most decisions on a wide range of EU competencies now taken by majority voting in the Council of Ministers and the European Parliament, the UK risks being bound by laws imposed by a political group of which we are not a part and which

in many areas has different interests, different legal, social and political traditions and often different attitudes towards free markets.

This should not be a question of win or lose or whether we can win a few concessions at the expense of other members, or indeed whether we can impose our vision of reform on the rest of the European Union. Rather it should be about whether we can get agreement across Europe to a new settlement that suits everyone: a new kind of treaty relationship between the UK and the eurozone members that makes it sustainable for us to become and remain a member of a wider but looser European Union club, alongside but apart from the eurozone core—a member of the European club but not part of or a brake on their ever-closer political union. That decision, when it comes, is of sufficient political and constitutional importance to justify putting it to the people in a referendum.

Those who oppose or perhaps regret this democratic process make two arguments. The first is that it is too complicated an issue to put to the UK electorate and risk coming up with the wrong answer; the noble Lord, Lord Liddle, called it a “reckless gamble”. I have no sympathy with that view. Indeed, I share the view that the attitude of European leaders holding that perspective over the last half century has caused the widening gulf between the leaders and the wider populations across Europe. The evolution of the European Union and particularly the creation of the eurozone has moved the project from a purely economic to a strongly political and constitutional union. You cannot force nations into shared sovereignty and pooled democratic oversight unless the people feel that they have become or are becoming one nation. Politicians who do not carry their electorate with them in those decisions rapidly forfeit their trust and ultimately risk exacerbating rather than removing national tensions.

The second argument I have heard is that the objective of staying in the European Union is a foregone conclusion, and that even raising the possibility of exit weakens our ability to play a strong role within the European Union and creates damaging uncertainty. For the reasons I have set out, I do not agree that remaining in the European Union without a significant change in the current treaty arrangements is ultimately sustainable from a political and constitutional perspective. Nor do I believe that there is a compelling economic argument to override those considerations. Of course, under any outcome it would be simplest to stay in the single market if we could do so while protecting the global competitiveness of the City of London and other key sectors from unwelcome regulation. However, whatever the nature of our relationship that emerges, it is clearly in the interests of both European and UK businesses to maintain a workable trade arrangement. Therefore the long-run impact of a change in our position will depend on whether any attempts to create trade barriers are offset by the potential benefits from being free to develop a less regulated and potentially more globally competitive UK economy. There are voices on both sides of that argument, but in the end our global competitiveness in the fast-growing markets outside the European Union must be a primary concern.

Equally, whether we are in or out of the European Union, we can and should maintain close co-operation with our European neighbours on non-economic matters of common interest, including of course defence and security. On the other hand, unless we seek to negotiate a new relationship and do so with the full understanding on both sides that a significant change is needed, we are unlikely to get an outcome that secures a sustainable position for the UK within the European Union in the longer term.

As for uncertainty, I am afraid that that is the price of living in a democracy. While uncertainty may mean that some business investment is held back in the short term, there are many reasons why the UK is likely to remain an attractive global location whatever the outcome, and ignoring the democratic process may be even more costly, as I have argued. I hope that a sensible debate will emerge so that, in the light of what the Prime Minister’s negotiations achieve, we can have a level-headed assessment of what future will best deliver a global vision for a competitive UK economy and a sustainable relationship with our European neighbours—a relationship that addresses the reality of the increasing economic and political integration of the eurozone within the EU club.

It is important that the House is seen as upholding the democratic process by endorsing the commitment of the Government to put the best achievable outcome of the EU negotiations to the electorate and abide by the result. We should give the Bill our full support.

5.29 pm

Baroness Royall of Blaisdon (Lab): My Lords, the noble Lord, Lord Blackwell, was right to mention the importance of our global competitiveness, and that is exactly why I believe it is right for us to stay in the European Union. Indeed, I am proud to be on the pro-European Benches making the patriotic case for Britain’s membership of the European Union, putting our country rather than our party first.

I was 19 in 1975 when I voted in the referendum. It was fitting that on the 31st anniversary of D-day we should have voted to remain part of the extraordinary community. I was young then, and so was the EEC, and we had been members for only two years. That referendum was important, but in the last 40 years the European Union has evolved and the world has changed and the referendum now is much more significant. I believe that this will be the most significant vote in my lifetime. It has huge implications for the future of Britain: for our ability to maximise opportunities and influence in the world, for economic growth, for the development and exploitation of the single market, for jobs and for our capacity to deal with the 21st-century challenges of climate change, international crime, terrorism and the movement of people from south to north, fleeing wars and fragile states.

The referendum is important for my generation but much more so for the young people of our country, for my children and my grandchildren. This is about their future and I strongly support the extension of the franchise to all UK citizens aged 16 and 17. My noble friend Lady Morgan in her excellent speech put forward, as did other noble Lords, cogent arguments as to why such an amendment on 16 and 17 year-olds should be

[BARONESS ROYALL OF BLAISDON]

accepted. The Government's arguments simply do not hold water. I understand that the Foreign Secretary has said that this is a decision "for another day" but that is crazy—this referendum will affect the rest of young people's lives much more than any vote in any general election, as the noble Lord, Lord Tugendhat, said. It is a fantastic way to engage young people in our democratic system, to inform and energise them—as happened in the Scottish referendum—and to give them some power over their future. I am in favour of giving votes to 16 and 17 year-olds in any election, but I feel especially passionate about giving them a vote in this referendum.

I also support the arguments made to extend the franchise to others. The Government have clearly taken the decision to bring forward legislation to enable UK citizens living in other parts of the European Union to vote in future general elections, so what possible reason could they have for not allowing them to vote in the referendum which will have an enormous impact on their lives? I guess one silver lining might be—says she with tongue in cheek—that if the noble Lord, Lord Lawson, were resident in France for 15 years he might not be able to vote in the referendum. But that is for another day, I suppose.

Then there is the situation of EU citizens living in this country who are allowed to vote in local elections but again will not be able to vote in a referendum whose result could bring about profound changes in their lives. The Government say that they want to have the same franchise as in general elections. If that is the case, why do noble Lords have a vote—although is right and proper that we do? The Minister has said that we should follow the rules of previous referendums, but we are not, because the citizens of Cyprus and Malta will be granted a vote. Why them and not Spanish citizens? Of course I understand that the latter are not members of the Commonwealth, but two classes of EU citizen cannot be right, and the point made by the noble Lord, Lord Tugendhat, is interesting.

We know that some citizens are, and always will remain, in favour of continuing membership of the European Union, and that others are vehemently against membership, but there are millions who remain undecided and for them to decide how to vote they must be properly informed. That is why I strongly support the arguments in favour of the various reports that have been mentioned. Without the information that such reports provide, people will not be able to take an informed decision and the Government will be abnegating their duty to inform. Indeed, like everyone else in this country, we need to know what being out of the European Union would mean.

Like all member-state Governments, we are also in the dark about the issues on which the Prime Minister is seeking to renegotiate—baffled, as the noble Lord, Lord Kerr, said. Many have mentioned the *Sunday Telegraph*, from which we learned that Mr Cameron is seeking four key concessions from the EU, all of which seem rather sensible to me and none of which require treaty change. However, as the noble Lord, Lord Bowness, said, whatever success the Prime Minister will have—and I wish him well—it will not be enough

for those whose mission in life is for us to leave. Anna Soubry said a couple of weeks ago at the Conservative party conference that it is their life, and that, "they live it, they eat it, they drink it".

I fear if the country votes to remain in the EU—which I hope—they will still not give up.

I hope that the Minister can enlighten us about the content of the renegotiations, but if that is not possible I would be grateful for her assurance that the Prime Minister is not seeking to dismantle social Europe in any way. We want and need a Europe that is working for working people, who want hope and a vision for the future. There have been many changes and reforms over the years. You just have to look at the proportion of the budget allocated to the CAP, which is still too much, and at good initiatives such as the Youth Guarantee Fund. There will and must be many more changes and reforms. We want change, but we want to bring it about through discussion around the table with our partners rather than by putting a gun to their head.

The Minister said that this Bill is about mechanics, which it is, and mechanics matter. Can the noble Baroness confirm that the lobbying Act does not prevent companies or third sector organisations making their views known about the European Union—the implications of either staying in or withdrawal—and providing information to their workforce, customers and membership? I have heard from several large companies that they are not willing to say what they feel about the referendum because of the lobbying Act.

With yesterday's launch of the united Britain Stronger in Europe campaign and last week's launch of the several out campaigns, it feels as if the referendum campaign has already begun. But there are many months to go and the passing of this Bill will be just the first step. The EU has faced huge problems in the last few years with the euro crisis and the possibility of Grexit, and now we have the refugee crisis, a humanitarian crisis which I believe is the greatest challenge to our values and the greatest challenge that the EU has ever faced. This summer's confused response to a complex problem was not enough. It is further evidence that changes are needed in the European Union, yet I am utterly convinced that we are better together, finding common solutions to shared problems. I understand that some people are afraid of the future and find nationalism and nostalgia attractive, but in an increasingly interdependent world to retreat into the isolation of a small island simply does not make sense. We must put the future of our country first, working with our partners in the European Union to find answers to the challenges of the 21st century. I want to continue to belong to a Great Britain in the European Union rather than a little England.

5.37 pm

Lord Naseby (Con): My Lords, it is always a privilege to follow the noble Baroness and indeed to listen to my noble friend Lord Blackwell, who is sitting next to me. I have been committed to Europe all my life, partly perhaps because my maternal grandparents were German, naturalised British, and maybe reflecting my experience of being evacuated during the Blitz down to the depths of Herefordshire, but more likely because of what I

read about Winston Churchill's great desire after the war to set up the Council of Europe to ensure that Europe had jaw-jaw rather than war-war. Whatever the reason I have been consistent in my views. I worked overseas for a number of years and when I came back in 1963 I joined the Young European Managers Association. That loyalty was of course tested soon after I was elected in the marginal seat of Northampton South in 1974 with the grand majority of 141. In 1975, as all noble Lords will know, we had the last referendum. I worked particularly hard in Northamptonshire because it was not a foregone conclusion then what the result would be, and it is not now. However, it was a success, and indeed I put a little polish on the "Keep Britain in Europe" poster that I still have in the downstairs loo.

It was my decision as an MP to join the Council of Europe in 1983, rather than being dragooned into it, and I served for eight years. I am proud of a typical success that happened when I was there; it concerned the tragedy of the "Herald of Free Enterprise". It was my committee on the health side that took up the sword to find a common protocol across Europe for autopsies, and it is an indication of how successful individual members can be when we work with others in that environment.

Lastly, as Chairman of Ways and Means in another place, it was my privilege to take the Maastricht Bill through the House, involving 25 days, four all-night sittings, four clauses and more than 500 amendments. Somehow or other, although people knew my background and involvement in Europe, I was not criticised at any point for my handling of that Bill.

However, that fundamental belief cost me dearly in 1997. The late Jimmy Goldsmith, with his "get out of Europe" policy for the Referendum Party, decided to have a candidate in my constituency. He succeeded in getting 1,405 votes, just 2.5% of the poll but enough to unseat me by 744 votes—much, I have to say, to the surprise of the Labour candidate. The Referendum Party candidate, in his speech at the count, said words to the effect of, "I came here to kick out the pro-European Tory. I've done the job and now I'll go back to London". Thus ended my career in another place.

Against that background and as an aside, I find it quite extraordinary that my dear party has chosen another Goldsmith as a prospective Mayor of London, knowing his views on Europe and indeed his views on a third runway at Heathrow, which is so vital to the success of London.

I welcome the Bill and I welcome the Prime Minister's determination to make the EU work better for all the people of Europe. That needs to be emphasised. It has to work better because, as we have seen recently, there has been the situation in Greece, huge levels of unemployment in many member states and, frankly, a shameful lack of any coherent policy over refugees.

As we all read in the weekend papers, it would appear that there are four key demands: first, to get Brussels to make an explicit statement that will keep us out of the European superstate; secondly, an explicit statement that the euro is not the official currency of the EU but that we have a multicurrency union, thereby protecting the pound; thirdly, a red card system to

bring back some powers from Brussels; and, fourthly, a so-called new structure reducing the dominance of the big nine.

Of course I am not doing the negotiating, but it seems to me that the first two points should be obtainable. However, I find the third and fourth a little too imprecise. Surely we should consider some specifics, and two come to my mind. The first is that in my view the City of London is absolutely fundamental to the success of this country—not only its position in world finance but all that it means for employment and the success of the United Kingdom. Frankly, it must, in the ultimate, be under the control of this country and not shackled by Brussels. The second is the policy of the free movement of labour. Of course I understand it and see it as a cherished view of many in Europe, but somehow or other it is not working and it really does need to be reviewed. Migration, which is so prevalent in the press today, is something that we have to get a grip of and find some means of controlling without totally undermining the freedom of movement of labour.

Personally, I would push for safeguards in just those aspects that are fundamental to the UK economy rather than try to change any of the headline missions of the existing treaty, unless of course we see the emergence of new missions, such as the European army, which is totally unacceptable to me. I assume that my noble friend Lord Hill, as a Commissioner, will be deeply involved. I have complete faith in his patience and dogged persistence, and I hope that my noble friend the Minister will send him certainly my best wishes and, I suspect, the best wishes of the whole of your Lordships' House.

At heart, as the House probably knows, I am an ex-ad man who held a marginal seat for nearly 25 years. As such, I want to see a clear communication strategy with some exciting benefits sold to the British people. I want them to be communicated with. I do not want to read a lot of knocking copy; I want to hear the positives—the benefits of staying in on an adjusted basis, as we have talked about. I want to appeal to all age groups and to all sections of society across all the media. Frankly, from my point of view, the referendum should be held under the current Westminster franchise but with two parties added to it. One—your Lordships' House—has already been agreed. I think that we should have a vote in general elections in any case, as I have said many times. The other is those of our citizens who work within Europe. Personally, I would not wait until the end of 2017. That is too long for any campaign. We should vote in 2016 early in the summer with the sun on our backs. I say good luck to my noble friend Lord Rose and his team, and I thank them for the work they are going to do.

5.46 pm

Lord Stoddart of Swindon (Ind Lab): My Lords, it is always a pleasure to follow the noble Lord, Lord Naseby. Indeed, I enjoyed his speech and agreed with much of what he said. The noble Lord, Lord Kerr, may be surprised to hear that I agree with him about referendums. He is absolutely right that in a parliamentary democracy it is up to Parliament to weigh up the issues and make decisions, but the time comes when a

[LORD STODDART OF SWINDON]

referendum may be necessary. For example, for a very long time all the parties in Parliament have agreed that we should remain in the European Union. However, there is great concern about it in the country, and perhaps not a majority but a huge minority believe that we should leave the Union because it is not good for our country. Under those circumstances, it is right to hold this referendum, because the powers that be—the parties—need some guidance and that is what the people will give them, whichever way they go.

When I took part in the debates on the Referendum Bill in 1975 in the other place, I really did not dream that I would be involved in another one in this place 40 years later. Of course, in 1975 it was a Labour Government Bill; this is a Conservative one. In 1975, there was little experience of referendums. We hardly ever had them; indeed, I do not think that at that stage we had had a national one. We had some in Wales about pub opening times, but not in England. Today, through experience, we have a better understanding of how referendums should be organised. So this Bill is a much better one and it is even better as a result of debate and amendments made in the House of Commons. However, it is a bit late. There should have been a referendum on the Lisbon treaty but that was denied to this country by the then Prime Minister. That was the time when the referendum should have been held, so this one is a little bit late.

The Bill before us is, I believe, satisfactory in most respects and it does far more than the 1975 Act to ensure fairness. It ensures that one side of the argument is not outspent by the other, as was the case in 1975, when the no side was outspent by the yes side by about 20:1. In spite of that, one-third of people voting still voted to come out. I also hope that the Bill will preclude foreign organisations such as the CIA from intervening in the referendum campaign, and likewise the European Commission and other EU institutions.

I shall not go into the arguments for and against remaining in the EU—we have heard a lot of them this afternoon—except to say that this referendum is about a different organisation from that which was voted upon in 1975. Then, it was perceived as a vote to stay in a common market. Today, people will be voting to remain in a Union that already has significant powers over the governance of the United Kingdom and seeks further powers through the ever-present mantra of an “ever closer union”. Those of us who tried to point out that joining the EEC, or Common Market, would lead to a loss of UK sovereignty were derided and insulted by our opponents as ignorant little Englanders. Yet we were right. Treaty by treaty, powers have been transferred to Brussels and we have all been made citizens of the European Union.

I was hoping that we could conduct this referendum without name-calling and insults, but, unfortunately, the leader of the campaign to stay in has set the tone of the campaign by accusing Eurosceptics of being unpatriotic. I wonder whether he knows the meaning of patriotism when he comes out with a stroke like that. He should be warned that there are some Eurosceptics who are experts at insults, but we do not want to use them. I hope that that will be understood.

The referendum is, above all, about who governs Britain. I hope that, when people vote, they understand that.

For myself, I was opposed to joining the EEC. In fact, I made the first speech about it when I was a prospective candidate in the Newbury constituency, of all places, at a place called Woolhampton, in 1962; I have not changed my view since then. I have opposed every treaty extending its powers, and remain convinced that the United Kingdom would thrive outside the EU and regain the full power to govern ourselves through our own Parliament and institutions, which have been established over the centuries.

I want to ask the Minister one question, which I hope she will be able to answer. If the Prime Minister is unable to obtain the changes that he needs, that are relevant and that will ensure we retain our sovereignty, would he be prepared to recommend that we leave the EU? I hope the Minister will be able to answer that, but I appreciate it is not an easy question, especially bearing in mind that the Prime Minister will not tell us exactly what he is going to negotiate about.

Having said that, I support the Bill and look forward to taking part in its further stages.

5.54 pm

Lord Suri (Con): My Lords, a good number of noble Lords have already spoken and some are still to speak. I think that this is the longest debate I have seen in my first year in this House, which is very interesting.

I am a businessman by profession. Unlike many noble Lords, I have not been an elected politician in the other place. For that reason, I focus on the bottom line. There has been, and will be, much discussion of principles during this debate, but I want to bring the business and economic reality to the fore.

I have heard many of my Eurosceptic friends expound on the glorious sunny uplands that will lie beyond us until we vote to leave the European Union. We can be like Norway and Switzerland, they say. The hardest part of this to understand is when they turn to me and expect me to support their case. I have been told that a Britain in this situation could refuse free movement. If so, why have Switzerland and Norway both declined to do so? Why do both have a higher percentage of foreign EU nationals than Britain?

However, immigration is of secondary concern to me. When it comes to the economic realities, a UK outside the EU would not be participating in the drawing up of EU regulations, which would affect my business and others. A UK outside the EU would not be making the voice of its business community heard in the regulations that we have to live by. As for negotiating our own trade deals, we would be negotiating as a small country. Do my honourable colleagues think that a UK-China trade deal, between 64 million and 1,357 million people, would be a good deal, or do they, as I do, suspect that we would be steam-rollered? We need to buy into Europe and the TTIP. The best deal for our country is undoubtedly within the European Union. However, let me be honest: there are things that I would like to see changed.

I was relieved when, some two weeks back, the European Court of Justice upheld the right of government to stop prisoners voting in elections. What worries me

is that the UK could have been liable for challenges and fines in those courts, had the ban been struck down. I have no doubt that the Prime Minister will renegotiate a package in which the supremacy of British law, made in this and the other place, will be recognised. We also need further safeguards for the firms of the City of London and the wider financial sector in this country. EU regulations on these matters disproportionately affect Britain, as a country that is reliant on financial services for over 20% of our exports. We need to be more forthright in protecting our interests here. Our noble friend Lord Hill has been an excellent voice for British interests on the Commission, and I applaud his ongoing efforts in this area.

On a broader point, we must secure safeguards for countries like ours that will not sign up for deeper integration, federalism or the euro. We have natural allies who are not in the euro and do not desire more integration. The Prime Minister must continue his efforts to achieve substantial change with their help. A two-speed Europe is preferable, but not at the cost of being excluded from the crucial decision-making that the EU does. I have full faith in the Prime Minister's renegotiation, and that Britain will make the right choice to stay in when the referendum outlined in this Bill is held. I support the Bill.

5.59 pm

Lord Lea of Crondall (Lab): My Lords, the leitmotiv of this debate seems to be "Come back, Harold Wilson, all is forgiven". He may have kidded the rest of us sometimes, but I do not think he ever kidded himself. I only wish that were true of his successor in 10 Downing Street today.

My qualification, such as it is, for speaking is a little along the lines of that of the noble Lord, Lord Stoddart, in that I wrote the TUC pamphlet in 1975, saying, "Vote no". Albeit brilliantly argued, two-thirds of our members voted yes. That is the sort of thing one tends to remember. Jack Jones subsequently said to me, "I thought I asked you to write a popular pamphlet saying, 'Vote no'." I said, "I did, Jack, I did." He replied, "Well, it wasn't very popular, was it?"

The trade union movement has now, I think it fair to say, come to terms with the reality of multinational but accountable capitalism. I say "but accountable". There is a question mark there. I hope no one in this Chamber thinks there should be any withdrawing of the degree of accountability of multinational capitalism, be it Volkswagen, which we have been very conscious of in the past few days, or, indeed, the hedge funds. The noble Lord, Lord Stoddart, said that we do not want people financed according to the ratio that applied in 1975, but it seems that hedge funds are now the epitome of our national interest. Are they not multinational, or does he not want any of the money coming from the hedge funds? That is a rhetorical question, but he will forgive me for that.

We want a debate with proper rules of engagement.

Lord Stoddart of Swindon: I am very sorry to interrupt, but I do not quite understand the reference to hedge funds. I do not think I made any reference to hedge funds.

Lord Lea of Crondall: The noble Lord did not make a reference to hedge funds, but the point I am making is that, according to the papers, there is a very prominent role for hedge funds in financing the "get out" campaign. I assume that he is not unhappy to take their money.

Lord Stoddart of Swindon: I did not take anybody's money.

Lord Lea of Crondall: One of the most complicated points we have been discussing is describing what "out" looks like. It is a genuinely difficult problem. There are two issues which are very hard to separate out. First, as the *FT* says today, Paris, Berlin and Brussels are increasingly exasperated about what Britain wants. The noble Lord, Lord Kerr, said he was baffled by the negotiating strategy. The problem is that it is very hard to pin down what the "out" position would be and what, therefore, is the correct comparison with the "in" position.

People such as the noble Lord, Lord Lawson, are not really interested in renegotiation. He makes no bones about it: he wants out. But there are others who say it depends on the outcome of the renegotiation. I think it is fair for us to give more thought to what it is that the British people will be looking at. They will be able to look at what "in" means a lot more easily and unambiguously than what "out" means, so I want to spend my other four minutes on what "out" might mean.

I agree very much with my noble friend Lady Morgan of Ely, who said that the Office for Budget Responsibility or an organisation of that ilk could look at some of the economic consequences. Of course, the rest of the picture is very hard to give to the OBR or Whitehall. It is far too speculative, and it probably will be a picture of a future period, let us say in three years' time, involving a vote to say "out" and further negotiation with the countries of the 28 as to what "out" actually means.

As Donald Rumsfeld said, there are known knowns and known unknowns, and there are both types in this quandary as to how we present what "out" looks like in an objective and unambiguous way. The answer is that we do not know, because the negotiation beginning now would have to be followed by another negotiation about what "out" actually meant in terms of customs, tariffs, industrial standards and so on.

The throwaway line of the noble Lord, Lord Blackwell, about the EU raising trade barriers against us as some sort of eccentric thing to do—that is only the converse of our getting out. If we think that the trading arrangements within the EU have no substance, being out of the EU will not present us with any difficulties, because according to his hypothesis, if we were out, there would be no change at all. Thus, we all disappear, chasing our own tails. If that is the position, clearly it is misleading. Getting out would have some consequences. We have only Greenland to go on at the moment, and that is a slightly odd comparison, given that it has just a few thousand people and millions of fish, and Denmark controls its foreign policy. Before the referendum, we must give more thought to how the "out" question can be better identified.

I conclude with one quick point about the franchise. The dog that has not barked today, and it is an important one, is the dire state of the electoral register.

[LORD LEA OF CRONDALL]

In many places—but equally, in the inner circles—it is a scandal. Will the Government agree to examine the steps that could be taken with the electoral authorities to address this deepening problem? It is not a million miles away from the other work that they will be doing if the amendment on age limitation and so on is accepted.

6.08 pm

Lord Inglewood (Con): My Lords, the evening is getting on, and it is clear that we are going to have a referendum and that we know the wording of the question, so I do not want to talk about that. Rather, I would like to talk, like a number of other speakers this evening, about the choice facing British voters. What, in the real world, are we choosing between when we answer the question? This is not a hypothetical matter. It is not a university exam question.

On the one hand, a positive response to the question “Should this country remain in the EU?” is that one is voting either for the status quo or the status quo as amended by the current negotiations. What actually, however, is the alternative? Presumably, negotiation on a whole range of issues will have to begin. It is clearly not possible, after all, to go back to the world of the late 1960s. What is going to happen? How long is it going to take? What is going to be the opposite of the status quo, as it might be amended? We simply do not know.

An appealing argument, which I think will be attractive to many people, goes along the lines of, “I would like to leave, but on certain conditions. If not, no thank you”. How does the referendum help someone who thinks like that? How do you vote if that is your view?

Another idea, which has been canvassed quite widely, is that we should enter into some kind of associate membership. Were that to be a possibility, what is its compatibility with the questions in the referendum? Which way do you vote? It certainly is not clear to me.

In my experience of these matters, which is based on 10 years as a Member of the European Parliament, different people have very different perceptions of the various aspects of what being in the European Union is all about. Some think that the UK constitution is a sacrament; others think that the European project is sacramental; and most people do not think either of those things. Some people think that the EU is too expensive; others think it is good value. Some think that it is insufficiently Thatcherite and others think that it is not adequately Corbynista. Some think that it is undemocratic and interferes too much; others think that it is nothing like as bad as the UK system, with its extensive use of secondary legislation. Some people think that the CAP is an appalling French conspiracy, while others maintain that is the last bastion of British rural values under threat from that tyrannical tsunami of 21st-century urbanism. And then there is the whole question of the union that is the United Kingdom.

The debate and the issues are multifaceted and are perceived very subjectively. I am concerned about how people are going to begin to set out in their own minds the reality of arrangements governing matters, some of which do not run at all with the grain of traditional

political thinking in this country. For many people who have not made up their minds—I understand that that is about a third of voters—the problem will be knowing where to start.

Having worked for 10 years in the European institutions, I still have contacts in Brussels—if I might touch on the point raised by the noble Lord, Lord Rooker, I looked into the question because I have a European parliamentary pension and it is paid regardless of any political statement I may make about the European Union of any kind, so I am told. From those contacts, my intelligence is that there is a considerable body of good will towards resolving what one might describe as the “UK question”, partly because many recognise, at least to some extent, the general applicability and desirability of the points we are making, and partly from a genuine wish not to lose us. However, it is a bit like marriage. Any fool can get married and any fool can get divorced; it is the subsequent disputes over money and the children which so often degenerate into drawn-out vindictiveness and extreme acrimony—that is where the trouble starts. This indicates to me the difficulty of negotiating a post-referendum withdrawal.

The Bill promises to transfer in a particular case the type of decision-making traditionally exercised by government with Parliament and to hand it over to the electorate. It is a many-sided, complicated and esoteric bundle of issues which need careful consideration. This is something which Governments traditionally have always had to deal with, but they have always been able to rely on the Civil Service to provide them with impartial advice. Even if it is not followed—and it is not always by any means—it is inevitably of considerable help in resolving the tricky questions. In this case, the electorate are being asked to take a decision without any equivalent support. It is absolutely clear that the referendum campaign will be open season for every political mountebank and snake oil salesman around and, no doubt, they will be arguing on all sides of the debate. I believe that government has a general responsibility and particular duty of care to the individual elector to enable them to have access to at least some baseline information about the matter in hand, of the kind that the Civil Service gives to government day in, day out. People may or may not use it, but providing it will assist and improve the political credibility of the referendum’s outcome, since it will be less easy for the losers to argue that the voters were misled or got it wrong through ignorance.

As we know, one of the ostensible purposes of the referendum is to settle the question of EU membership. I am very far from sure that it will—the last one did not—and anticipate that the matter will remain open until one or other option is generally concluded no longer a realistic possibility. That was the case in the 18th century over the whole question of Jacobitism, which seems to me to be the closest parallel. Ensuring that our electorate as a whole have access to some basic baseline information, as was the case in 1975, is an essential aspect of all this, so I urge the Government to give the public similar relevant information.

The political landscape over which the referendum will be fought is in many aspects unfamiliar. When in an unfamiliar landscape, a decent map helps. I was in Palermo 10 days ago and I had never been there before.

If I had not had a decent map, I dare say that I would still be wandering around the byways, or even worse. If such information were provided, it would be analogous to what the Civil Service does for the Government day in, day out. If it is good enough for the Government, it is good enough for the people.

6.15 pm

Baroness Suttie (LD): My Lords, as other noble Lords have said, we are debating the Second Reading of this Bill after the in campaign and both out campaigns have already been launched. Against the backdrop of campaigning on the referendum having de facto already begun, we owe it to the electorate to work constructively and quickly to ensure that this is the very best Bill possible by improving it where necessary, as so many other noble Lords have said today. The Bill could and should be improved both by extending the franchise and in terms of the information provided so that people can make as educated a choice as possible. In that regard, I am certain that we shall have more detailed discussions on information and reports available to the electorate during the later stages of the Bill. However, I shall today concentrate the majority of my remarks on the other key area where I believe that the Bill needs to be further improved; that is, extending the franchise beyond those currently covered by the Bill.

Last September, when my niece, Emma, was 17 and in her final year at school, she was able to take an active part in the referendum campaign in Scotland. When I spoke to her last Sunday afternoon to ask her about the Scottish referendum, she said that being able to vote was a very positive experience. She said, "We felt valued because we were being consulted on something that would have an impact on our whole future, and our views were being taken seriously. All the discussion and events ensured that we were well informed and that we were clued up on the facts and arguments. Having a vote at 16 and 17 really engaged a lot of people in politics who otherwise wouldn't have been interested, because it targeted us at the right age and, as a result, I think we're all more likely to vote in the future and to become more involved in politics". If the outcome of the Scottish referendum had a major impact on the future of our young people in Scotland, and it was therefore decided to give 16 and 17 year-olds the right to vote on that future, surely that argument applies even more strongly to the referendum on our future membership of the European Union. Indeed, in the Scottish context, not to do so might become a further bone of contention in the already febrile political debate in Scotland.

There are those who argue that we should not give 16 and 17 year-olds the right to vote because "they are just children" or they are not mature enough to vote. But if at the age of 16 you are responsible enough to serve your country, get married and pay taxes, you are surely old enough to vote on an issue that will have such a big impact on the future of your country. We should recall that, 100 years ago, not dissimilar arguments were being used then about extending the franchise. Young people are not just the voice of tomorrow. As the 16 and 17 year-olds demonstrated through their passionate and articulate engagement in the Scottish

referendum campaign, they are the voice of today. On the vital question of our membership of the European Union, one of the most significant and long-lasting decisions to be made in this country for years, that voice deserves to be heard and given effect with a vote. Given the strength of feeling expressed today on this issue, I hope that we will receive a positive response from the Minister, even though she is currently absent from the Chamber.

To conclude, I want to make one other broad political point. Nicola Sturgeon and the SNP will fight a separate in campaign, and for many nationalists the dream result would be for Scotland to vote to remain in and for England to vote to leave, thereby triggering a second referendum on Scottish independence. I would love to believe that the First Minister would for once put the wider good of the United Kingdom first, but I fear that narrow nationalist politics will prevail. So I make a plea to the Government, as well as to the political leadership of the in campaign, that they should be exceptionally sensitive to the Scottish dimension in this referendum. It would be tragic if the vote on one union led to the break-up of the other. Deciding on the franchise for this referendum on the EU is hugely important and these decisions should not be taken lightly, but if this is a once-in-a-generation opportunity, as has been said by so many other noble Lords today, to decide on our relationship with the European Union, we should extend that franchise as widely as possible to include those whose lives and futures will be directly affected.

6.19 pm

Lord Plumb (Con): My Lords, I declare my support to remain in the European Union. I support the Bill, generally, and look forward to the debate in which we will have the opportunity for much discussion on detail. I have doubts about the referendum and therefore I wholly support the points made by my noble friend Lord Bowness.

I first got involved in 1972, 43 years ago. At that particular time I was involved with the various organisations existing in Europe such as COPA, the organisation representing the council of professional agriculturalists in the EEC. It was a very powerful group of Europe's farm organisations. In 1979, I entered the European Parliament as a Conservative Member, and for 20 years I was, like others in the Chamber, heavily involved in the work of the Parliament, holding various offices, including two and a half years, I am proud to say, as President of the Parliament, voted for by the Members of that Parliament themselves.

It was a great experience. It was often frustrating, living through routine crises, but there were only half the number of countries at that time that there are in the EU now. It was a challenge. Imagine the challenge at that particular time dealing with many people across that chamber whom not many years before we had been fighting. It was a case of reconciliation with those people, which mattered to all of us at that time, as we felt we were trying to do something to unite Europe, which had been at war for so long.

The European Parliament has now increased its power and its responsibilities, as it shares decision-making with the Commission and the Council. I would like to

[LORD PLUMB]

see much closer links with Members of this House and the other place to discuss future developments with Members of the European Parliament. There was a fine example in Denmark in the Folketing—this used to happen, so I presume it is still the same now—where every Tuesday morning the Danish Members of the European Parliament would appear before the whole of their Parliament to be questioned or have a discussion on matters of concern at that particular time. We seem to totally ignore them here in this country and from our respective Parliaments. I would like to close those links.

I am aware of course of the work of our European committees and the excellent reports of our seven sub-committees. They deserve more recognition and publicity than they get at present. I am sure that they are considering many of the issues that we are now debating, producing helpful and positive information. I entirely welcome what the chairman of the European Union Committee said earlier, my noble friend Lord Boswell.

As of today, we should be discussing not what we are discussing now but our commitment to improving the single market, freeing up trade and removing the paper chase, red tape and regulations. Although we often think we are, we are not alone among the 28 nations. Many of them feel exactly as we do about similar things and I speak from experience in saying that. Setting out facts and effecting the movement of people, goods, services and capital and so forth are the things that we could build on given the time, opportunity and the will to do so.

It is an irony that there is so much pressure in some quarters to divide and split up the United Kingdom, ultimately making it the most federal country in Europe, while Europe is providing a single market particularly benefiting the United Kingdom. It would take years, as others said earlier today, to dismantle our present commitments and it would be extremely expensive to buy our way out of the club of nations. The effect, in my opinion, would be totally disastrous. Those who say that we can continue with that trade irrespective of the commitments that were made totally ignore the fact of the reaction and attitude of other countries towards trade once we pull out.

I wholly support what other noble Lords said earlier today. It is remarkable as one travels around the rest of the world, as I did when I was President of the European Parliament, to see the respect that other countries had for Europe. I was not at that time seen as a British citizen going to those countries; I was seen as the President of the European Parliament, and they marvelled at the opportunity therefore to bring together countries that had been enemies for so long.

My particular area, as noble Lords know well, and I cannot ignore it, is an interest in agriculture and the common agricultural policy. Whether we like it or not, that common agricultural policy will be debated, because so many spurious figures are bandied about of what this costs the nation and individuals. I have even heard Members of the other House saying that 50% of the money from the common agricultural policy goes to France. That of course is not true. When we start

discussing this in Committee, I hope that the facts will be there. I hope that the Government can produce those facts and help us to see what are the clear facts of what it is—not what some people or what the press might say it is, but what it actually is—so that we can base our arguments on the truth and not on the fiction that is so often bandied about.

Of course, the common agricultural policy is difficult to govern in the sense of making one policy for 28 countries. We cannot determine quantity when we are dealing with living and growing things in the climate that we have. Why do we have the policy and why only for agriculture? The very nature of food production makes policy adjustments difficult, causing complications and distorted trading. It is to create a fairer market in an endeavour to avoid inflated food prices. I hope that we can get rid of the costs that are bandied about in the views that will be expressed during the time that we have to prepare for the referendum.

I give one figure from the common agricultural policy budget to make a comparison for those suggesting that France receives all that money. I will give the difference between France and Britain. France actually receives 16.6% of the total 43% that is allowed for agriculture, because it has 16% of the farmed area of the European Union. The United Kingdom receives 7.1% since we have 9.4% of the farmed area. The rest of the 43% of the overall budget goes to the various other countries at different levels for agriculture. Other sectors such as energy and transport receive subsidies that are funded fully or partially by government and therefore receive a smaller percentage of the overall budget. The agricultural budget actually makes up—remember this please—less than 1% of public expenditure in all member countries, where they spend three times more, for example, on defence. That is a fact, and it is a very different story from the one that we so regularly hear.

The importance of agriculture and horticulture production amounts to considerable business, given the 142,000 businesses involved—more than the number in the motor trade, education, finance and insurance. We have a self-sufficiency ratio estimated to be 60% of all food production, but it is interesting to look at the ratio of different countries. Imports exceed exports, so we have to do more to compete with France, whose food ratio is 120%; in Germany, it is 93%, and here it is 60%. We have a lot to make up to be really competitive.

I was glad that the noble Baroness, Lady Royall, mentioned, in what I thought was a good speech, the fact that the future is there to be changed not for us but for young people who are coming into business. I know that there are more young entrepreneurs coming into agriculture who are prepared to face that challenge, hopefully with the opportunity to combine practice with science and to put agriculture at the forefront of our economy in the European Union. They need to know, and they ask me regularly, what future there is. What can I say when there is this uncertainty as to what is to change and as to what will replace what we have now? To improve and simplify our existing policies must be our aim, not to cause chaos by withdrawal and upheaval. We shall enjoy getting more involved in that in Committee.

6.32 pm

Lord Davies of Stamford (Lab): My Lords, I intend to address this question, as I have been very pleased to see many colleagues on both sides of the House have done today, on the basis that, although I do not like referenda very much in principle—I very much agree with the oft-quoted remarks of both Clement Attlee and Margaret Thatcher on the subject—we now face a situation in which we have a Government who have won an election and who have an electoral mandate for this referendum, and we should settle down and do our duty.

As I see it, our duty is threefold. One is to make sure that the technical arrangements for the referendum are robust and fair. Secondly, we must have the appropriate franchise—a lot of very good comments have been made in today’s debate about that, particularly in relation to the franchise being given to EU citizens resident in this country and the reduction of the age of election to 16. I hope that those points will be taken further in Committee and on Report. Thirdly, and most importantly—vitally, of course—we must have an honest, open and comprehensive debate, so that the British public can make a choice which is considered and focuses on the essential facts.

For that purpose, and in the course of the debate which started here this morning and through the afternoon in this House, it is very important indeed that any kind of error, spurious or manifest, or any kind of spurious argument—any kind of what the noble Lord, Lord Lawson, memorably called “tosh” this morning—should be exposed and challenged. Indeed, I intend to expose and challenge a certain amount of the noble Lord’s own tosh in the course of my brief remarks.

One of the essential facts that no one has ever been able to get away with ignoring, thank God, is that between 3 million and 4 million people in this country work for firms whose majority of customers are somewhere in the European single market. That is so important. The Eurosceptics have always accepted that they cannot possibly come forward credibly with policies that would involve us leaving the single market. Therefore, they have always said, “Don’t worry—we’ll leave the European Union, but we won’t leave the single market”. That needs to be probed very thoroughly indeed, because it goes to the heart of the national economic interest in the matter. A year or two ago, the Eurosceptics were saying, “That’s all right—we’ll join EFTA, or we’ll do a bespoke deal, rather like Switzerland”, which actually is not an offer. That was the sort of thing one heard from the Eurosceptics.

Then it came very much to their attention, and they could not avoid the fact, that to join EFTA or to do a Swiss-type deal would involve us being put in a position of impotence—indeed, a humiliating position—in which we had to accept all the rules of the single market as they were decided by other people, without any right or opportunity to take part in their formulation, and have to continue to pay a financial contribution to the European Union. Even the IoD, the Institute of Directors, which was a hotbed of Euroscepticism at one time, realised that that was a quite unacceptable solution for this country.

So the Eurosceptics have now started saying, as the noble Lord, Lord Lawson, said this morning, “Oh no, we won’t go down that road; we’ll do a better deal, a better deal than anybody”. If anybody says that, one’s suspicions are naturally aroused. Why would we be able to do a better deal? “Well”, we are told, “because we actually buy more from the rest of the European Union than it buys from us”. In other words, they are more dependent on us than we are on them, so we have them around the neck and they have to accept our terms. Nothing could be further from the truth; nothing could be more damaging to us going into any kind of negotiation with the rest of the European Union because it is based on complete falsehood, on a logical fallacy. Trade dependence is a function of relative dependence on exports to the countries concerned—relative exposure to those particular exports in relation to the total GDP.

Let me give an example, so that everyone can appreciate the obvious logical point. Micronesia might be buying £1 million-worth of goods every year from China and selling China only £100,000 worth of goods in the course of a year but, of course, it would have absolutely zero leverage on China. It does not matter that there would be a 9:1 relationship between exports and imports between Micronesia and China. It does not matter that Micronesia would have an enormous balance of payments deficit with China. What is important is the relative position, and we know what the relative position is. The European Union’s exports to the United Kingdom are 2.5% of EU GDP, whereas our exports to the rest of the European Union are 15% of our GDP. So it is a relationship of 6:1. We have a 600% disadvantage in this matter—no basis at all for negotiating some special deal.

Even if we could negotiate some such special deal, which I think is most unlikely, it would not solve an essential problem which is the investment problem that is critical for the future. It is no use talking about the present; we have to talk about the future. The investment problem is that anybody who is putting new capacity somewhere into the single market to service the single market as a whole must be assured that they have a host Government that have some influence with Brussels in the legislative and regulatory process. Otherwise, of course, they would be completely unrepresented, which would be completely unacceptable. We have had that message clearly from, for example, Japanese car manufacturers based in this country and American pharmaceutical companies based in this country. They need to feel that, if they are coming here, the British Government will take up their cause when required in Brussels. It is even more important in financial services, where we have such an enormous amount of foreign investment. That problem can never be resolved if we walk away from the actual membership of the European Union and its constitutional legislative structures, which is what the Eurosceptics are proposing.

It may be because they are subconsciously so aware of the weaknesses of their case that, increasingly, the Eurosceptics try to move on from a discussion of the future of the single market to one outside the single market. We heard the noble Lord, Lord Lawson, this morning say, “Oh no, much more important is what is going on outside the single market”. I took note of

[LORD DAVIES OF STAMFORD]

one of his quotes, which I hope I still have. I must try to find it because it is really quite memorable. He said, "Because of our history, we have better worldwide links". The idea is that the solution is: even if we do not do so well in the single market, we will do even better outside it.

That is based on three mistakes. It is based on a bad business policy; it is certainly based on an economic fallacy; and, it is based on an enormous piece of ignorance—quite extraordinary ignorance. The bad business judgment is the fact that the countries he was thinking of do not regard themselves as having a special relationship with us. I have met so many Indians who have told me that they have been so disappointed, frustrated and annoyed at British businessmen going out to India and thinking that they have an inside track because of British-Indian history. As a matter of fact, most Indians do not look at the Raj at all with the kind of rose-tinted, nostalgic spectacles that many Euroscptics seem to wear.

China is a country where one has to be extremely careful because one is too easily associated with a country which imposed the unequal treaties and which burned down the Summer Palace in 1859. People are completely insensitive to this kind of problem. These countries are run by people who are highly intelligent, very sophisticated and who are going for value for money. They make hard-nosed economic decisions. So the idea that we have some special advantage in these areas is complete and utter rubbish. It is very deceptive and dangerous for British business. This pretentiousness is quite the wrong kind of advice to give to British business. They need to be much more realistic.

The economic fallacy is even more serious; it is very serious indeed. Far from there being a trade-off between being a part of the single market and having access to the worldwide markets beyond, there is a negative trade-off. It is not a question of having more of one and less of the other; if you have more of one, you have more of the other. The whole reason for the single market was because it would create a large internal market comparable to that which Japan and the United States enjoyed and which, at the time, we did not have in Europe. The idea that the single market would produce greater specialisation, larger firms and longer production runs has worked. It has produced economies of scale and enabled firms to carry higher overheads, particularly in the critical areas of marketing and research and development which are so important for the future. This has all come about based on having an effective single market. So the last thing we want to do is to say, "We do not need a single market; we can do better outside". The opposite is actually the case. This is a very serious fallacy that clearly needs to be exposed thoroughly in the course of this particular campaign.

On the issue of ignorance, the noble Lord, Lord Lawson, is one of the most knowledgeable and brilliant human beings I know—it is only in this area of Europe where he allows his emotions to take over and defeat his very formidable intellect—but he showed an extraordinary piece of ignorance, or at least negligence because he never mentioned it at all when he talked about the outside world, about the situation in which we trade. Apart from the United States, the world

outside the single market is primarily within free trade agreements or trade and investment agreements negotiated between the EU and the markets concerned. The most recent ones were negotiated with Canada and Japan, and we are now engaged in the TTIP with the United States. If we left the European Union, the next day we would cease to be able to benefit from these trade agreements. Such agreements sometimes take, quite typically, five or six years to negotiate. They are enormously valuable. If we left them, we would immediately be at a handicap. We would immediately find ourselves paying tariffs or suffering other disabilities which our competitors in the single market were not doing. To negotiate something of our own would take years, and under no circumstances would the terms be as good because we would be offering a market of 60 million people and the EU would be offering one of 400 million. We would be the "demandeur", so anyone could say "Ha ha! This is our price".

This is a hopeless way forward and, if we go down this route, we will be betraying the country's national interest. In my view, it is very important that these matters are gone into in considerable detail. If not, the British people are likely to make a decision which they would live to regret.

6.42 pm

Viscount Trenchard (Con): My Lords, I, too, am grateful to my noble friend the Minister for introducing this debate. It is a great honour to follow the noble Lord, Lord Davies, who has, unfortunately for me, already attempted to demolish all the arguments I was about to put forward. My experience of having worked as a banker in Japan for 11 years leads me to believe that it is not as simple as he makes out. I am utterly convinced that I was seen primarily as a British person and only secondarily as a European. Although I was privileged to serve as a vice-chairman of the European Business Council in Tokyo, the other Europeans wanted me to do that job because I was British and because, as an Englishman, I would have more influence. The British Chamber of Commerce as a body was probably more influential than the European Business Council. So I have rather a different interpretation of how Europeanness and Britishness mix and complement each other.

Since 1975, the British people have had no opportunity to approve or reject the EU's relentless march from being the Common Market—principally a free trade area that we joined in 1973—to something approaching a superstate: the European Union of today. In common with most noble Lords who have spoken, I welcome the Prime Minister's decision to allow the British people a vote on whether they wish to stay in a reformed EU. But we do not yet know how significant the reforms will be. The reforms most British people want involve the restoration of powers to this Parliament and a reduction in the number and reach of EU tentacles, which permeate every area of our national life and every arm of national and local administration.

At the same time, to avoid a further—perhaps fatal—euro crisis, many in Brussels and some of our EU partners, are also seeking to reform the EU, but the reforms they seek involve moving in the opposite

direction. They want more fiscal integration and tax harmonisation—basically, the establishment of a single finance ministry for the eurozone. It seems to me that we will therefore become increasingly uncomfortable in remaining a member of the EU on the same basis as the integrating eurozone economies. It is not clear how the interests of the UK and other countries outside the eurozone can be protected. I look forward to the publication of the Chancellor's document detailing how this can work, as reported in the *Sunday Times*. This will surely require a new structure for the EU itself, which ideally should recognise the reality of the current situation: that the UK is already a semi-detached member of the EU, as a non-participant in the most important aspect of the European project, the common currency, and also a non-participant in the Schengen agreement.

The Bill before us commits the Government to a referendum on what is still an unknown package of reforms. Is it not customary to publish a White Paper well in advance of a referendum, providing the voters with a clear explanation of what exactly they are voting on? Is it the Government's intention to publish such a White Paper? Does the Minister agree that it should contain a section explaining in an impartial way the consequences of remaining in the EU and one explaining the consequences of leaving?

While I am still open to the possibility that our European partners will change their minds and allow us to retain our membership but withdraw from the political and judicial structures, it is most unlikely that the commitment to the necessary treaty changes can be obtained in time. Does the Minister agree that, if the leave campaign should prevail, the Government should negotiate a new trading and collaborative relationship with the EU which would preserve the single market and our free trade with the bloc? I am not sure whether this should be defined as a reconstituted EEA or EFTA, or even as a new class of associate trading member of the EU—in which case, does leave really mean leave? It is manifestly in the interests of our European partners to retain our open trade relationship with them even if we can no longer be part of their political project.

It is claimed by those who would advocate remaining a full member of the EU at all costs that our interests would be adversely affected if we no longer had a voice in the institutions of the EU that make the rules. But our voice has not been strong enough to prevent our being outvoted every single time we have objected to a proposal being considered in the European Council. With only 9.7% of the votes in the European Parliament, it is not surprising either that the United Kingdom MEPs, even if they could sometimes agree on anything, are powerless to protect British interests. In these circumstances, fundamental reform of the EU must provide a basis for the UK and other non-eurozone member states to escape the strictures and costs of the political and judicial institutions which are being expanded and developed to bring about ever-closer union, while remaining free trading partners on a basis similar to the current customs union.

There are many other areas where we must and will continue to collaborate with our European partners, but I believe that, in the global world that exists, we

will be more successful and retain more influence in the world as a sovereign state. I also believe that our own financial sector regulators—the PRA, part of the Bank of England, and the FCA—should be restored to the position of sovereign regulators, no longer subject to the EBA, ESMA and EIOPA. This is essential in order to prevent further damage to our financial services industry. For example, the alternative asset management industry is already suffering from the application of the harmful and pointless Alternative Investment Fund Managers Directive. It is difficult to see how changes as fundamental as are needed can be obtained without treaty change. If the negotiated changes on which the referendum will be fought involve merely a promise of future treaty change, how can the EU and our European partners be trusted to deliver the promised changes in future?

I welcome the Government's agreement that the purdah rules will apply during the campaign, but ask the Minister to tell the House what measures the Government are taking to ensure that the European Commission and the European political parties are similarly restricted. I would also like to hear the Minister's answer to the question asked by my noble friend Lord Lamont in his excellent speech as to why the Government still insist on obtaining a partial exemption from the Section 125 rules. Will she also inform the House when the Government intend to publish the draft regulations?

My noble friend Lord Norton raised the question of a threshold. There was a 40% threshold requirement in the 1979 Scottish devolution referendum, but the problem is that if you have a threshold and only 39% of people vote, it does not settle anything. What happens next? You have to have another referendum, I suppose.

I have to agree with my noble friend Lord Lawson that the EU is a political project rather more than a trade project. I do not think that membership of the EU, or a different kind of trade-based relationship with it, will make much difference to our trade with the EU. However, escaping from the bureaucratic burdens placed on us by full EU membership, will, in my view, help us develop better and closer trading relationships across the world in this global age.

6.51 pm

Lord Dykes (Non-Affl): My Lords, one of the two great tragedies in this country ever since the previous referendum in 1975 has been the “them and us” mentality of many politicians in this country, and other people outside Parliament. That feeling, unfortunately, continues. It is a very strong manifestation of the feeling that all the other member states are different from us and we are exceptionally different in a merited sense that leaves them standing. The other tragedy is that this country is bedevilled by the worst press in Europe. Apart from a few moderate newspapers, I think that at least seven newspapers supported the Conservative Party in the last election and are owned by foreign-based owners who do not pay UK personal taxes.

I live in France and my friends involved in politics in Paris phone me and ask, “Why do you allow these foreigners to own newspapers in your country, with their corrosive message about the European Union?” Recently, Rupert Murdoch very kindly said that he

[LORD DYKES]

was changing his mind a bit on Europe and might give a lead in that regard. However, in the mean time, the *Express* and the *Daily Mail* continue their campaign of poison on Europe. Most of their stories, particularly those on the front page but also elsewhere, are completely untrue and are not based on any realisable facts about any negotiations in the European Union. If you take the UKIP vote, at least 4 million people must have believed some of that stuff, but some of the others who do are Conservatives and Conservative MPs.

In addition to the other two tragedies that I have described, another tragedy is that the whole thing is a phoney exercise, as we know. We are all pretending. I sympathise with the Minister having to go through the charade of the referendum project. I think the Bill will get passed because people feel that it is inevitable and that, even if you do not like referendums and do not like a lot of the detail in the Bill, you have to support it for the sake of preserving our membership of Europe.

The other reason for this situation arising is that, in the enlarged version of the Bullingdon Club that is the Conservative parliamentary party in the House of Commons, a sufficient number of anti-Europeans has built up. The Prime Minister understandably wished to stabilise his position as a new opposition leader—a young, dynamic, new politician coming in from the background, who was not very well known. He sought to chat people up at Carlton Club dinners and elsewhere about how bad some aspects of Europe were, at the same time saying, of course, that he did not want Europe to be a bedevilling feature of the life of the Conservative parliamentary party. The two things were an astonishing dichotomy and we are still working through this exercise.

I dislike referendums intensely. I suppose the only exception would be if there were an existential decision for one part of the country, such as Scotland—a vote on leaving the wider United Kingdom. There is presumably no other way of doing it, to satisfy all chemical and psychological opinions, than having a referendum. We should think of the damage done by referendums each time we have them, when they are based on false arguments, as Harold Wilson's was. That was designed to keep the Labour Party together, just as David Cameron now has this phoney exercise to keep his parliamentary party in the other place together. Every time you have a referendum that people know is not genuine, you undermine the authority of Parliament.

I muse on history. We have heard some very good speeches displaying historical common sense from the noble Lord, Lord Kerr, and others on the need to think again about the future of Europe, what it means and our membership of it. It is not just economics and trade; it is wider than that and it is very important to the British people.

The difficulty, therefore, is always to make sure that we put the right arguments forward and make sure that the public have the benefit of hearing genuine arguments because we are contending with a press that will not bother to give the details about Europe. I am afraid to say that they are very lazy in the parliamentary Press Gallery. They do not want to

know too much about it. They just want the British clash of parties and politicians to be the European story, rather than the real, underlying story of Europe. I was chairman of the Conservative group for Europe before the noble Lord, Lord Hunt of Wirral. He mentioned his chairmanship. In those days, the Conservative Party was very enthusiastic about Europe. I worked at a very humble level with our then Prime Minister, Edward Heath, and remember his very poor French when he made the famous acceptance speech in Brussels, when people put their hands over their ears. None the less, the whole feeling and enthusiasm then was encapsulated by distinguished people such as Sir Henry Plumb, as he then was, now the noble Lord, Lord Plumb, and we thank him for his speech today.

One has to think about the spirit of Europe, not just all the details. By the way, I hope that the Minister will take on board the plea made by so many noble Lords today that we should allow 16 year-olds and 17 year-olds to have a vote. I hope that the Government will reconsider that. There is much more that we will need to discuss in great detail in Committee in a fortnight's time and then two weeks after that. I prefer to deal with just one or two points today that I think reinforce my suggestion that we get back to the spirit of Europe. Why are we afraid of Europe? Why are we childish about Europe? Why is it "them and us"? Why do not the Germans and the French fear a loss of sovereignty? I live in France as well, which is a very patriotic, nationalistic country, and sometimes very bloody-minded in pursuit of its own ends, as we know. Apart from members of the Front National and the Communist Party, which is much weaker now, everybody in France feels that being a member of the European Union is a natural and good thing.

Apparently, according to the historians, in 1880, people started to talk in the United States of the United States being one country—as "is", rather than "are" denoting the individual states. Europe may never get to that position. It may remain composed of sovereign countries aiming to secure the greater good for everybody by dealing through integrated institutions, sometimes by majority voting but by unanimity as well. I say to Members who are not very keen on Europe that individual sovereignty—national sovereignty in the old sense—last existed in Britain probably in 1912, and even then, two years later, we were subject to a French commander-in-chief in the First World War, so this nonsense must be got out of our system.

I know that some people think this is too avant-garde a suggestion to make so late at night, by why are people in Britain afraid of the euro, as they are? They remember the humiliation of being driven out of the exchange rate mechanism in 1992 and they know that the euro is a very strong international currency, getting closer and closer to that of the United States as the main reserve currency in the world. Sterling, by the way, is 2% in terms of reserves. That is the choice we all face—that of being avant-garde and modern about Europe, and of supporting the young British backpackers who want to be European and study foreign languages. Why do not more parliamentarians speak foreign languages? Why do not more parliamentarians such as the noble Lord, Lord Lawson, live abroad so that they know what it is like to be with foreigners? Why do we

not have more knowledge of all these things that add up to the great European Union, which we need and must cherish? We should support this referendum Bill because we have no other choice, unfortunately, and make sure that we win with a huge majority.

6.59 pm

Lord Sheikh (Con): My Lords, I am wholeheartedly in favour of giving the British people a say about our relationship with the European Union. People can then decide what will be in the best interests of our country and the integrity of the resulting decision cannot be questioned. The last time this happened was 40 years ago. When you think of how much has changed, not just in our relationship with Europe but in every other facet of life, it is clear that it is time for the British people to be given their say again. The issue is of some emotion but we must not let ideology get in the way of reasoned argument. This referendum will be a pivotal turning point for our country. It will pave the way for many decades to come.

Most people agree that the European Union is in need of some reform. Put simply, too much power has been transferred to Brussels. Many laws should be given back to member states. The European Parliament has become too large and expensive. Most importantly, many people feel that it is unaccountable and that our national sovereignty is being undermined. I would like to see national parliaments playing a bigger role in developing European laws and regulations. We in the United Kingdom must ensure that the laws and regulations work in our interest as much as possible.

One of the main attractions of EU membership is the economic benefit, and we must make sure that we have a firm hand in negotiating all trade deals. The EU single market means that British businesses have access to 500 million customers: it is a goldmine of opportunity. The EU has signed free trade agreements with many countries. This is to be applauded. Were we to leave the EU, we would have to renegotiate our trade relationships with 50 countries on an individual basis. This would involve extensive costs and resources. In addition, membership of the single market makes the United Kingdom a more attractive destination for international investment.

The EU must, however, become more competitive and outward-looking. It is a highly impressive bloc of talent and innovation but it must strive for more. For the benefit of business and the economy more widely it is also important that the EU system works to help promote growth and job creation. Rules must be simplified and red tape must be reduced. Some regulations are better handled at national level and this must be done. The CBI has been consistently clear that for most British businesses the benefits of EU membership outweigh the disadvantages.

We must look very closely at the matter of immigration. We should have control over our borders and pick and choose who is best for our economy and who deserves to be helped. We have a responsibility to accept genuine refugees in need. Last year I visited a refugee camp in Jordan and spoke to a number of people there. These are the people that need and deserve our help. I agree with the Prime Minister's decision to take refugees from these camps but the numbers should be higher.

I have just returned from visiting Ethiopia. While there I saw some of the remarkable work being undertaken by DfID. It is important that we continue to help other countries to have good governance and to develop economically. People will then prosper in their own communities and be less inclined to come to Europe. With regard to migrants from other EU countries, we must appreciate that their entry does create problems. The knowledge that our borders are open to free movement creates public apprehension and in some cases resentment. The question of immigration from other EU countries needs to be revisited.

We must acknowledge that the Europeans are now our close allies. Indeed, since the establishment of the Common Market there have been no conflicts within the European Union countries. The Common Market was created after the horrors of the Second World War and it generated and maintained people-to-people contacts. In an increasingly globalised and interdependent world we rely heavily on each other. In matters of security and terrorism most of all, we will need to be able to counter the threat of Daesh. Russia also continues to flex its muscles. A united EU response gives us a much greater voice. Similarly, we need a harmonised approach to properly tackle climate change: international threats require an international response. We must, therefore, preserve some of the close working relationships we currently enjoy with our European neighbours. It is important to bear this in mind.

Regardless of one's opinion on the workings of the European Union, there can be no doubt that it has changed considerably in recent decades. In 1975, 67% of voters chose to continue our membership of the European Economic Community. That was a very different body from the one we now find ourselves part of. Back then, it was purely about economic benefits. There was no projection of ever-closer political union or integration. It therefore follows that the mandate for our membership now needs to be renewed.

One of the biggest criticisms of the whole European project is that it lacks democratic accountability. National parliaments are without a doubt the most democratically accountable and legitimate form of governance for their people. Very few people involve themselves in the affairs of the European Union, so the pros and cons of European membership will need to be explained to them in an easily understood manner. We should take the initiative to trim the bureaucratic, regulative and legislative fat and to make our case to the British people about exactly what the benefits of the European Union can be. Europe needs to serve its member states better and help them to get the most out of the benefits that such a union provides.

I will wait to see what the revised terms are before voting yes or no. I would prefer for us to stay within the union if the revisions were satisfactory.

7.08 pm

Lord Dubs (Lab): My Lords, those of us who travel to other European countries are normally asked this question, which I was asked last week: what is going on with your country and the EU? We do not understand. So I thought I would save the *Hansard* for this debate and send it to them, because I am not sure I can answer

[LORD DUBS]

the question any better now than I could then. People are puzzled and do not understand why we have this odd attitude to the EU. Most of them think we are mad, frankly, and it is very hard to disabuse them of that.

I was thinking, in preparing for this debate, of something that Roy Jenkins said many years ago. In a way I hoped it would be out of date, but it is not. He said that our problem was that we had not really come to terms with the end of empire. He said it a long time ago, but there is still an element of that running through our attitudes to our membership of the EU.

Let me be specific about some points in the Bill. I am delighted that Members of this House are going to have a chance to vote in the referendum. If it is worth voting on our position in the EU in a referendum, it is also worth while having a vote in general elections, but that is for another day.

I used to think that giving 16 and 17 year-olds the vote was not a good idea, but I have come to realise that I was wrong. It is a healthy change, and I very much hope that this House will vote an amendment into the Bill to give the vote to 16 and 17 year-olds. We will then see what the Government do when it gets back to the other end.

The noble Lord, Lord Forsyth, said earlier in the debate that, even if Scotland votes to remain in the EU and the rest of the country does not, that would not effect a referendum in Scotland. I really do not think that would be the case, although I bow to his greater knowledge of Scotland. If Scotland votes one way and England and Wales vote the other, the pressures for a further referendum in Scotland will increase and the likely outcome will be less certain than last time.

I turn to one or two specifics on justice and judicial co-operation. If we are not members of the EU, what is going to happen to the European arrest warrant and to our participation in Europol and Eurojust? We might lose those chances, because why should the EU countries go along with us if we say, "We are leaving you, but please can we stay part of this or that"? I think they would probably say, "Go to hell". Why should they do so? Yet things such as the European arrest warrant are essential for our security. It enables us to get people who are a threat to this country back to Britain to face justice. Although the EAW may have some faults, it is essentially a measure that protects British interests. As crime is increasingly international, we need Europe-wide co-operation; that can be achieved only if we are members of the EU.

I think it was John Hume who said some years ago that the EU was the most successful peace process in world history. That is absolutely right and, before we knock the EU, we should be respectful of what it has done. Our membership of it has contributed to that achievement of peace in Europe. I do not believe that these things are inevitable; the cohesion and sense of solidarity engendered by the EU has very much helped European peace.

I want to spend a few minutes talking about the implications of a British exit on relations between Britain and Ireland, and the specific implications for Northern Ireland. The Irish Government clearly kept

out of the referendum debate in Scotland—that was for us and not for them—but this time, I think, they see it a little differently. When Mr Charlie Flanagan, the Irish Minister for Foreign Affairs and Trade, spoke recently at Chatham House he referred to the constructive role that Ireland can play in the EU debate in the UK. He said:

"We have resolved, despite being respectful of the democratic process here, to make our voice heard. That means ... a role that is supportive of the UK, our most important EU strategic partner, in helping it to achieve reasonable reform objectives. But a role that is equally respectful of our 26 other friends and partners within the European Union".

He went on to say that,

"it is crucial that every effort is made to engage in debate, to provide information, to clarify, to explain".

Mr Flanagan then drew attention to the importance that Britain's EU membership had for Ireland. He indicated that he wanted,

"the UK in the EU because our Union is stronger",

because of Britain's participation in it. He said that Ireland benefits from Britain's membership and that,

"it reinforces ... the ... bond between our two countries".

I hope that the millions of people of Irish origin in Britain will take note of what the Irish Government say and vote accordingly in the referendum. Those 3 million or so votes would make quite a difference to the outcome.

I want to say a little about the economic and political aspects of our relationship with Ireland. The UK exports more to Ireland than it does to China, India and Brazil combined—a pretty formidable point. The UK is Ireland's most important market; the value of Irish exports to the UK is at its highest level ever. In fact, Ireland is the UK's fifth-largest market, with more than £17 billion in British goods and services exported to Ireland in 2012. About 200,000 people in Ireland are employed as a result of Ireland's exports to the UK, while UK jobs resulting from exports to Ireland are estimated at more than 200,000. The UK is the third-largest investor in Ireland, after the United States and Germany. These seem to be important facts. The Eurosceptics will say that nothing would change if we left the EU. I think it would, as do the Irish Government, and the close bond we have would be lessened. As far as tourism is concerned, 3 million British people visited Ireland in 2013, while the year before about 2.5 million Irish people visited Britain. That is very important.

However, let me turn to Northern Ireland. The EU had a very positive influence on the peace negotiations there. The EU and the United States together made it possible and created the conditions which enabled us to proceed to the Good Friday agreement. Without the EU's active involvement and support, things might not have moved forward as they did. We are talking about both the political and economic benefits to Northern Ireland. I think the accepted view is that the EU has been a force for good for everyone in every community, right across Northern Ireland.

If the United Kingdom were to leave the EU, the border between Northern Ireland and the Republic would be the EU border. We worked very hard to get rid of that border so that it is effectively not there—you do not see it at all if you drive from North to South—but

who is to say what pressures might then be put on that crucial border between Northern Ireland and the Republic? It would be unthinkable if, having worked very hard to get rid of them, there had been some sort of mechanisms on that border. But something would have to be negotiated, as would the wider common travel area. The Government and the people who want us to get out have said nothing about all these things, but they are pretty important.

I have talked briefly about the situation as regards Ireland and Northern Ireland, which are important aspects of the total. I believe that a British exit would be a disaster.

7.16 pm

Lord Cavendish of Furness (Con): My Lords, it is always a pleasure to follow the noble Lord, Lord Dubs. I always enjoy his breadth of interest, although I would probably hesitate to cite the European arrest warrant as the EU's high-water mark.

I rise to support the measure before us and do so with enthusiasm. I congratulate the Government on its introduction; the time has surely come for this hugely important issue to be resolved. I have read most of the debates in another place. There were impressive interventions and the outcome was unambiguous. Since there is nothing obvious that I want to change about the Bill, my few remarks will be devoted to the nature of the debate that follows the Bill becoming law.

I have never made a secret of my Euroscepticism. However, I still believe that it is just conceivable that enough in the way of reform could be achieved to persuade me to vote in favour of remaining in the EU. To that extent, my mind is not closed. In fact, many of us have more open minds than has been acknowledged in the debate today.

One possible avenue for such reform might originate with our EU partners rather than with ourselves. Might it not be the case that a combination of factors could conspire to persuade our partners that Britain's aspirations are not, after all, so very far removed from their own? Might it not also be the case that consensus develops among those partners that our leaving might be the last straw for such a troubled and dysfunctional enterprise, whose competence, economic performance and direction of travel have in reality ceased to inspire confidence?

Those of us who lean towards the Brexit outcome need of course to understand the downsides and costs, and not to underestimate them. By that I do not mean absurd and dishonest statements, such as the one that claims that 3 million jobs are dependent on our staying in the EU. That claim rests on the ridiculous assumption that this country, outside the EU, would cease to trade with its former partners. Anyone who persists with such an argument, as I think the noble Lord, Lord Davies, was, must surely need also to concede that, by the same measurement, 4.5 million EU jobs are dependent on trade with the UK.

I am after serious and detailed analysis of the implications of staying as well as leaving, as other noble Lords are. When my noble friend the Minister comes to wind up, could she try to tell us a little more about how people will be able to access authoritative

and independent research on these issues? Whitehall analysis and comment on its own will not command public trust without what one might term some kind of independent review. I thought that my noble friend Lord Inglewood, who is not in his place, put this in context very well. I hope that the Minister will read his remarks with some care.

The debate, I believe—and this has not been touched on—should take account of a problem of the modern age, which is the increasingly corporatist nature of all activity throughout the western world and the resulting political fall-out. The state, perhaps inevitably a little bit corporatist, feels more comfortable dealing with large corporations than with small ones. The corporatist world—industry and commerce—meanwhile has to a great extent ushered in what I might call extreme politics, mentioned here by the noble Lord, Lord Liddle. The anger we see on the streets here and elsewhere is less directed at free-market capitalism, which in my lifetime has lifted literally billions of people out of poverty, and more towards corporatism, which has in the last few years cheated and disenfranchised many of the most vulnerable people in the world.

I am not arguing that the leaders of big business are all venal and bad; of course they are not. There are many admirable business leaders, and they are very well represented in your Lordships' House. However, huge corporate size, wealth and power are almost inevitably corrupting, and in the end self-defeating, because they undermine competition, and those that they are meant to serve become lost to view. As it currently functions, the EU is the personification of corporatism and a denier of freedom and democracy. The link between the rulers and the ruled has faded almost to the point of invisibility.

I have always held that a much neglected problem with Britain's relationship with the EU stems from the simple incompatibility of our legal systems. I am convinced, for example, that it accounts for much of Whitehall's infamous gold-plating, which is so demoting for those of us who try to run a small or medium-sized business.

I remind your Lordships that such businesses generate 95% of the British economy and more attention needs to be addressed to their concerns. We have had many lectures today, led by the noble Baroness, Lady Morgan, about trade. I make the point that many of those lectures come from people who have never traded. I have spent my entire adult life trading with the rest of the world, and I can assure your Lordships, in spite of what the CBI says, that neither I, nor any of my colleagues or people whom I know, have any fear of our future outside the European Union.

Crucially, the debate should—and I fervently hope will, following the passing of this Bill—concern itself with how we are governed and how our people want to be governed. Our system of government can be traced back 2,000 years, when the inhabitants of these damp islands decided to put an end to unaccountable power. The ensuing constitutional journey, which included such milestones as Magna Carta, celebrated this year, has not always been smooth, but the version ultimately bequeathed to us gave us the rule of law, an independent judiciary and democracy. It was exported to the whole

[LORD CAVENDISH OF FURNESS]

of the English-speaking world and seems to me to have stood the test of time quite as well as other systems adopted by countries that, in the main, are very much younger than our own. Europe is a young concept, as the right reverend Prelate the Bishop of London reminded us.

I would not think of offering advice to other countries as to how they should govern themselves; nor, out of good manners, would I claim that our system of government is better than theirs. However, there needs to be a very compelling case indeed to give up our tried and tested form of government in favour of another. But with some 60% of our laws already being decided outside of this Palace of Westminster, and with the persistence of the mantra of “ever closer union”, that is precisely what is being asked of us if we are to remain members. As was eloquently pointed out in another place, “ever closer union” leads to only one destination and that is Union.

As my right honourable friend the Prime Minister pointed out in his Bloomberg speech:

“It is national parliaments which are, and will remain, the true source of real democratic legitimacy and accountability in the EU”.

For me, the preservation of our ancient freedoms and our democracy will ultimately be the test that trumps all others.

7.24 pm

Lord Callanan (Con): My Lords, I draw the House’s attention to my entry in the register of interests. I provide consultancy services to a number of companies and organisations in Brussels and across the EU. I discovered that the problem with speaking 50th in a debate such as this very popular debate is that many of the points that I wanted to make have already been made many times over by people who are much more senior and eloquent than I am. The Minister will no doubt be pleased that I will be relatively brief; I pay tribute to her forbearance in sitting on the Front Bench for eight hours listening to the EU being debated, though I notice that she brought along her own cushion to make the experience a little bit more pleasurable.

Many of the contributions that have been made so far have been almost a rehearsal of the arguments of the referendum campaign itself, rather than discussing the merits or otherwise of the Bill. I have listened with great interest to all the arguments about whether we should leave or remain, about whether we are a small island or not, about people’s experience from the war onwards and of their time on the Council of Europe—all of which, of course, have very little to do with what is actually in the Bill. I totally support the Bill: I campaigned in my party for many years for a referendum on Europe and I am delighted that my party sought the permission of people in the general election for that proposal. We gained their consent and we are now putting it forward into legislation, so the Government have my full support on that, not least because I am looking forward to the opportunity of voting in the referendum myself. I suspect that I am in a minority in this House in that I did not get the chance—I was not old enough—to vote in 1975 in the previous referendum. My father, who did, tells me that as a businessman, he voted enthusiastically for

a Common Market and is now somewhat perplexed to find himself a member of a European Union—a point that has been made many times by other people as well.

I wish the Government well in their renegotiation attempt. Like the noble Baroness, Lady Morgan, I have taken part many times in negotiations in the European Union. It is a bit like wading through treacle, but I wish the Prime Minister well in his attempt to renegotiate the relationship. Actually, this referendum is probably the best tool that he has to enable him to get a satisfactory conclusion to those negotiations. To go into the debate and say: “Well, we would like all of these concessions; I know that they’re very difficult for you, but don’t worry, whatever happens at the end we are going to stay in anyway”, is not the best mechanism for persuading our partners to give us significant concessions.

I supported wholeheartedly the Prime Minister’s Bloomberg speech; I thought it gave an excellent list of problems with the relationship that he was seeking to rectify. I am somewhat concerned about some of the reports of backsliding from that speech since then, but I hope that the reports are incorrect and that the Government are going to surprise us and produce an excellent deal that will enable us all to support the renegotiation. I hope that when negotiations are completed—another point that has been made many times—the Government will feel able to produce a White Paper setting out the full details of what has been achieved and the consequences of voting to remain or voting to leave. That would be a great contribution to the debate, and I hope that the Minister will feel able to give us that assurance this evening.

On the subject of *purdah*, I welcome the amendments made in the other place and I hope—I know that the Minister has given us some assurances to this end—that the Government will not seek to use regulations to remove the restrictions that were voted on in the other House. It is also important that we ensure impartiality of the broadcasters, and to a lesser extent, of course, of the media as a whole.

I have heard many times references on the BBC to the claim that, if we vote to leave, we will be “leaving Europe”—as if we are going to take our island and tow it off into the mid-Atlantic. Of course we are not going to leave Europe: we will remain part of Europe, and we will still trade and be friends with our partners in Europe. The decision on whether to remain in the EU as a political organisation is entirely separate from whether we should leave Europe. It is impossible for us to leave Europe.

It is also important to ensure that the referendum is fair and equitable, and that spending restrictions apply equally to both sides. I know from my experience the power of the European Commission and its considerable ability to spend money. In addition, the European political parties are extensively funded by taxpayers’ money in Europe, so I hope that the Government will ensure that the spending restrictions are applied equally on all sides of the debate, and that they apply also to the Commission, the Council and the European political parties.

On the subject of the franchise, I am agnostic about the subject of 16 and 17 year-olds voting. I can see arguments on both sides; I suspect that most of them

would not bother to vote anyway if they did have the franchise, but I look forward to taking part in the debate and hearing that argument explored further.

With regard to EU citizens, I do not see why they should be permitted to vote. If they are so keen to vote on whether the UK should remain part of the EU, it is open to them to apply for UK citizenship. If Spain, France, Germany or some other EU country had a similar debate, I would not expect British citizens working in that country to be given the right to vote there. I think it is fair that, as the Government have suggested, we restrict the franchise in this election basically to people who can vote in Westminster elections. I look forward to taking part in further debates as time progresses.

7.30 pm

Lord Willoughby de Broke (UKIP): My Lords, I am the 51st speaker on the list, and I note that no speaker has mentioned the role of UKIP in obtaining this referendum. It is true that the noble Lord, Lord Lamont, who sometimes has his uses, mentioned Nigel Farage in an entirely different context, but the fact is that, however unpalatable it is to all the other parties, it is largely because of UKIP's pressure—UKIP's showing in the European elections and the recent national elections—that we have this referendum. The noble Baroness, Lady Crawley, mentioned that. UKIP has galvanised the country into understanding exactly what we have given away over the years—how much our Parliament and our Governments of all parties and every stripe have given away over a succession of treaties. Parliament has given away powers that were not its to give away. The noble Lord, Lord Hunt, called it the freehold, and he was quite right. I did not agree with anything else he said in his speech, but the freehold of the British people has been given away by politicians who had no right to do that.

Who needs reminding about the—I do not want to use an unparliamentary expression but I shall borrow a phrase—terminological inexactitudes of Mr Edward Heath, who told us that joining the Common Market would entail no loss of national essential sovereignty? That was back in 1975, which was the last time the people of this country were given any say on our relationship with the EU.

Where are we now, 40 years on, after the give-aways in the Single European Act, the Maastricht treaty, the Nice treaty, the Amsterdam treaty and the Lisbon treaty? Forty years on, the EU has a flag, an anthem, a Parliament, a diplomatic service, a border force and its own Court of Justice to which English law is subservient. Who decides our energy policy? Brussels. Who decides our trade policy? Brussels. Who decides our agricultural policy? Brussels. Who decides our fisheries policy? Brussels. Who regulates our financial institutions? Brussels. Who decides what sorts of light bulbs and vacuum cleaners we can use in our own homes? Brussels. Who decides who we allow into our own country? Who decides our immigration policy? Again, it is Brussels. All this has happened in the past 40 years without the people of this country ever being consulted or asked whether they wanted to give away the freehold that was theirs to the unelected, unsackable Commission in

Brussels. They were never asked if they wished to transfer those powers to a ramshackle organisation whose accounts have not been passed for the past 19 years.

I am delighted that finally we are going to have this referendum. We have the chance to ask and reply to the fundamental question. It is an easy one: out or not? Do we want to regain the powers to govern ourselves or do we want to continue to contract out the powers to Brussels? That is what the referendum is going to be about. It will be about whether we will be able to decide our own policies in this country, run our own policies and decide our own future. This referendum is going to be about whether in the end we want to decide how to spend the £20 billion a year which our membership of the EU costs us—an annual fee to join that ramshackle club. That is a positive.

The Prime Minister seems to think that if he skilfully asks the right questions and asks little enough of Brussels he will be able to come back and say to the country that he has a wonderful deal so it should back the Government and stay in the EU. As noble Lords have already said, the *Sunday Telegraph* published his four key demands. One is to ask the Commission to make an explicit statement that Britain will be exempted from the EU founding principle of ever-closer union, but we do not want to be exempted from any further closer union; we want to get back the powers we have already given away. Another demand is an explicit statement that the euro is not the official currency of the EU. That is completely irrelevant. The third demand is a new red card system to bring back powers to Britain by allowing groups of national parliaments the power to stop unwanted legislation proposed by the Commission. The only red card system that is really going to work is if we get out of the EU. That is the best red card system so that we do not have unwanted legislation foisted upon us by an organisation to which we do not belong. The fourth demand is a new structure for the EU itself. This is like a letter to Father Christmas saying, “Dear Santa, what I would like for Christmas is a new structure for the EU”. I suppose that maybe Mr Cameron believes in the Euro-Santa, but I do not think he is going to find that one in his Christmas stocking this year.

I have my own explicit statement for the Government: this sadly unambitious wish list will simply not cut the mustard. There is now an increasing groundswell in the country, largely because of UKIP, that the EU game is not worth the candle and that we would be better off out. This cuts across political parties, businesses which find themselves shackled by EU regulation and individuals who find that their everyday lives are adversely affected by EU rules.

The ice is cracking under the EU. The noble Lord, Lord Forsyth, is quite right that the euro has been an engine for mass unemployment and social unrest. The EU's immigration policy has been wholly misconceived, both for its member states and for the luckless immigrants who put their trust in the EU and find that they have been misled.

The Britain Stronger in Europe campaign is wheeling out the tired old arguments we have heard so often before. We heard them this afternoon from the Europhiles who told us that we would be marginalised if we did

[LORD WILLOUGHBY DE BROKE]

not join the euro and that millions of jobs would be lost. We have heard that before. I have to tell the Europhiles that the fact is—the noble Lord, Lord Davies wants facts and here is one for him—that countries in the eurozone are suffering from crippling 20% unemployment and youth unemployment is 40% in some countries. It is also a fact that this country has created more jobs in the past two years than the whole of the eurozone put together. Those are the facts.

I shall finish by joining the noble Lord, Lord Stoddart, in saying how odd I find it that the “stay in” campaign chaired by the noble Lord, Lord Rose—I find it rather odd that he has not participated in the debate—says that it would be unpatriotic to wish to regain our independence, to make our own laws and to decide our own destiny. That really is very sad indeed.

Let us remember—and I remind the Europhiles—that the United Nations has 193 members and 165 of them seem to get along very well without being members of the European Union. We can do the same. I end by offering noble Lords one thought: if we were not members of the European Union now, would we vote to join?

7.39 pm

Lord Tomlinson (Lab): My Lords, it is always a great pleasure to follow the noble Lord, Lord Willoughby de Broke. I was particularly pleased when he made it clear to us all that it was UKIP pressure that led to this rather inadequate debate. He went on to say that the same old arguments were being brought out, and I thought that that confession from UKIP was good for the soul.

I thank the Minister for a very clear introduction of the referendum Bill. It was rather technical; nevertheless, it was clear and succinct, and I thank her for it. In reality, of course, nothing in the Bill is to do with the circumstances we are facing. It is a mechanism much more concerned with papering over the cracks in the Conservative Party, some of which we have seen today. I do not say that in a partisan way; I recognise it, as does the noble Lord, Lord Radice, from our past experience of Harold Wilson’s referendum. He was not prepared to say what the demands were, proclaimed a great triumph when we got something and then had a referendum on the basis of it. This is the same pattern, and imitation is the sincerest form of flattery.

I remember that referendum well because we had a parliamentary bookmaker at the time, one Ian Mikardo, the late Member of Parliament. I went to Mr Mikardo and asked him what odds he would give me for a yes vote in every constituency of the UK. He had to reflect on it overnight before he offered me 200-1. I put £10 on with Mr Mikardo, and there was a yes vote in every constituency in mainland England, Wales, Northern Ireland and mainland Scotland. However, the noble Lord, Lord Balfe, was wrong: not just Orkney and Shetland, but also the Western Isles, voted no. They were the only two constituencies in the whole of the UK that voted no, and even then by hair’s-breadth majorities of 50 point something against 49 point something. I lost because of those two constituencies; it was the Lamont curse from the Shetland Islands

that got me. I suspect that the result in a referendum today would not be significantly different from that, because it will be fought on the basis of lots of people having their say in the circumstances.

The noble Lords, Lord Forsyth and Lord Lawson, and a number of other people have criticised the words “ever closer union”. You get the impression that those words were forced upon an unwilling British people some time after we had joined the European Union. That is of course nonsense; they were there in the treaty of Rome. When Geoffrey Rippon negotiated our membership on behalf of a Conservative Government, he was negotiating on the basis of the treaty of Rome, which contained those words that we adhered to. It is not something that was brought out of the cupboard afterwards—“Let’s force those Brits into greater federalism”—it was there at the outset.

Lord Lawson of Blaby: The noble Lord will be aware that there was a difference. The treaty of Rome and so on talked about ever closer union of the peoples of Europe, but the solemn declaration at the Stuttgart European Council changed it—this still holds—to an ever-closer union of the peoples and member states of the European Union.

Lord Tomlinson: I think that is a very sensible change. It is still a change that has been there from the start. The “ever closer union” concept has always been there. What do we want if we do not want ever closer union? Do we want ever greater hostility? Of course not. We want proximity between the peoples of Europe on the things that matter.

I sympathise with a number of noble Lords, such as the right reverend Prelate and the noble Lord, Lord Kerr, who, during the course of the debate, have expressed their scepticism about referenda. I share that scepticism, but what is, is what is; we are lumbered with a referendum and we have to accept that. The Government had a clear majority at a general election, they had a manifesto pledge and they are entitled to hold the referendum.

Still, I strongly support the extensions to the franchise referred to in this debate. It is extremely important that we have a clear discussion, and we will do so in Committee, on two major issues in particular: the voting rights of 16 and 17 year-olds in a referendum, and in particular the voting rights of people who serve this country loyally overseas and have been denied their right here because they have done so for a period longer than 15 years. We are prepared to remedy that and we foresee doing so for the next general election, so we ought to remedy it for the referendum vote, because those serving our country overseas are significantly affected.

Governments, none more significantly than ours, love to rail about Brussels, the Commission, antidemocratic processes and the democratic deficit, but of course, most of the decisions of the European Union are made by the Council of Ministers. The European Parliament has a fair amount of co-decision with the Council. Other than the administration of policy, there are very few things the Commission has as an exclusive right. It has the right to initiate legislation, but that is the proposal. If only the Council of Ministers,

individually and collectively, had the competence, confidence and coherence to kick out at an early stage that which they did not like, rather than rail about it after they had it, very often by rather benign neglect.

The noble Lord, Lord Lawson, called for fundamental reform. We have heard many such demands during this debate, but no one tells us what fundamental reform is. The Government's renegotiation programme is a tightly kept secret. If it is anything like the *Sunday Telegraph* article, it is hardly a renegotiation but something that we could get just by asking for it, so there is very little in that. If the Prime Minister is going for any sort of reform, he has to bring back to us much clearer reports of what his demands were so that we can judge his competence and success in the negotiations. However, I believe that, whether he comes back with much or with little, when we put the issues to the British public they will follow the consent that comes from most of the affected people—from the political parties, industry, commerce and the trade unions, all of which I believe will argue strongly to keep the United Kingdom as a member of the European Union. A better member we will be if we exercise our membership with enthusiasm, vigour and conviction, and do not just see it as a slight shuffling of economic packs so that we can satisfy the Thatcherite demand, "We want our money back". Europe has to be more than that. It has to have vision, and the vision I have for Europe is one I hope the Government will begin to think about encapsulating.

7.48 pm

Lord Dobbs (Con): My Lords, I feel a bit like a shaggy old dog stirred from his hearth by a shadow at the kitchen door, the whistle of a familiar refrain and the instruction that it is time to go ratting again. I am in good heart, though, because although it has been a long day, it is not a Friday, we are dealing today with a Bill that has been endorsed by the voters at an election and—dare I say it?—it is a better Bill than the one that I had the honour and pleasure of presenting to your Lordships a year ago. Time and reflection have helped to tweak it, and perhaps it is appropriate for me to apologise to one or two noble Lords who came forward at that time with reasoned and perhaps sensible amendments to that original Bill. We knew that it was never going to work as a Bill, but it was the first light before the dawn.

I am the tail-end Charlie on this and I do not wish to go into too many details of the Bill since that has been done so eloquently by so many people today. However, I will say in passing that I look forward to the efforts the Minister will put into justifying how it is consistent to acquiesce to votes for 16 and 17 year-olds for a referendum on Scotland but not on Europe. I wish her luck—she may need it.

I am a passionate European. I was struck, as I often am, by the words of the right reverend Prelate the Bishop of London. We were schoolkids together—no, not at that school, at a grammar school in Hertford. His words have always been something of an inspiration to me. He asked, "What do we mean by Europe?". For more than 2,000 years Europe has been the centre of the world. In fact, for almost 2,000 years it was the world: Plato, Homer, Mozart, Picasso—the great artists,

the philosophers, the statesmen, the writers, the musicians—Shakespeare, Chopin, Beethoven, the Beatles and all the rest. It has been a pretty formidable and often glorious history. We have been the birthplace of democracy. It is said that the Greeks invented democracy, although it appears that they have been in a measure of chaos ever since. We have been the champions of basic liberties. We introduced the Enlightenment and the Industrial Revolution. Okay, I accept there have been a few historical hiccups along the way—things that were less than beneficial—but in Europe we have been, and still are, a beacon of hope for those around the world who are less fortunate than we are.

It is 2,000 years of extraordinary achievement, and yet during those years we have had so many different forms of institutions. You can still hear the footsteps of Socrates and Michelangelo and the Venerable Bede, even though the streets they walked along have long been worn away and the institutions they served have gone. The republics, the monarchies, the empires, the leagues and the confederations are nothing but ancient echoes. The world has moved on. I think it is a great flaw in the wider debate about Europe that we have been having for so many years that it has focused excessively on institutions and not on those deeper issues, because our Europeanness is defined not by our institutions but by our culture.

That is why I was very distressed with the words of the German Finance Minister Herr Schäuble when he was talking about Greece. He said that elections would change nothing and that there was no alternative. I hope that his words lost something in translation because they are pretty cold, hard and unnecessary. The history of Europe tells us that there is always an alternative. In every corner of Europe that you go to nowadays there are voices saying that our institutions are wrong: both sides of this great debate agree on that. We must change, we must go off in one direction or another, but what we cannot do is stand still.

There has never been a better time for a British Prime Minister to argue that there has to be a better way for British leadership in Europe. I wish our Prime Minister well in that undertaking. It is an enormous task. We are playing with history here. This is not a light or an easy decision, but he is absolutely right in that whatever he manages to do, the people must be given the final decision. That is the essence of this Bill here. It is the people, not the institutions, who are the final source of political authority. We have just had this wonderful discussion between the noble Lord, Lord Tomlinson, and my noble friend Lord Lawson about ever-closer union. I have to tell the noble Lord that the noble Lord, Lord Lawson, is absolutely right. Right at the top of the treaty of Rome in 1975 the preamble talks first and foremost about ever-closer union among the peoples of Europe. Notice the plural—the peoples of Europe.

There are other words that I think are relevant:

"We hold these truths to be self-evident, that all men are created equal",

and that,

"Governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any form of Government becomes destructive of these ends, it is the right of the people to alter or to abolish it".

[LORD DOBBS]

Those were the wise words of the authors of the Declaration of Independence and I think they are as relevant today as they were 240 years ago. They seemed to make quite a success of it—and entirely without the benefit of a government paper setting out the consequences of their actions.

I am a passionate European in a way that my father and my grandfather could never have been. If I may take the Bard's words at liberty, there is a lot of good in the state of Denmark—which means that I desperately want the Prime Minister to come back with a deal that I can accept: a clear, strong, substantial deal and not vague promises that might disappear like vapour trails in an evening sun. That would be good not just for Britain but for Europe as a whole—and then let the people decide.

7.56 pm

Lord Wallace of Saltaire (LD): My Lords, we have had a very interesting and constructive debate.

I will just comment on the “ever closer union” issue, having first studied how the European Union treaties were negotiated as a graduate student. Originally in the treaty it was,

“ever closer union among the peoples of Europe”, because those who had come through the war, often spending the war in London while their states were occupied, wanted to go beyond the nation state. They left the nation states out because Belgium had failed under occupation, as had France, Germany and Italy. The reinsertion of “states” into “ever closer union” was a later recognition that actually you needed to retain the nation state. It was a shift back, away from the original emotional, enthusiastic, idealistic federalism of those who came through the resistance and the war to a recognition that legitimacy depends on states as well and that there are limits as to how far one can go beyond the state. So while we are looking at the history of the evolution of all of this, that is part of this very wonderful phrase “ever closer union”, which means so many different things to so many different people. That is why it is an ideal phrase; we can interpret it in so many different ways and perhaps we should not get quite so hung up on it.

Lord Forsyth of Drumlean (Con): I am most grateful to the noble Lord. It is a very interesting theory about this development of the “ever closer union”. Why did the original draft of the Maastricht treaty, before it was amended at the request of John Major, talk about “towards a federal union”?

Lord Wallace of Saltaire: It is not a theory; I am actually giving the noble Lord some history. I have great admiration for him and his wonderful interventions—he is the best Commons debater in the Lords, I have to say. There were those of the original generation who really did want to build a United States of Europe and they followed the American lead in this. After the war, the Americans had wanted to press on Europe the idea that the Europeans should follow the American lead and build our own United States on their model, as the noble Lord, Lord Dobbs, has hinted. All of us resisted American pressure because we did not want to go anywhere near that degree of integration.

Lord Dobbs: Forgive me for interrupting, but I would also remind the noble Lord that the United States, in order to achieve a single currency, actually required a civil war to do it, which is scarcely a model that one wishes to follow.

Lord Wallace of Saltaire: I should remind the noble Lord that, when I have given talks in Washington and elsewhere on European integration, I have often said—sometimes years ago—that, if we ever achieved a United States of Europe, I had no doubt that the policy process would work almost as well as the policy process in Washington. I hope that the noble Lord understands the point.

We have teased out of this debate what issues we have to deal with in Committee and on Report. We are now agreed that there is to be a referendum; the question is now settled; and the date is beyond Parliament's control, except when the negotiations have been agreed and the Government come back to us. Therefore, we are left with a number of manageable issues.

On the question of purdah, clearly, if we have a long campaign, the Government have to go on negotiating with their partners in the European Union, and Ministers will have to say some things. In that area we will need to explore what the correct outcome is.

On the franchise, on which a great deal has been said, it is quite clear that the current British franchise is a mess. It is a historical, imperial legacy which means that someone who was born in Rwanda or Mozambique and moved to London last year can vote on whether we stay in the European Union. When we are in London, we stay in Wandsworth, where you hear French spoken extensively in the streets, which has been the case for 20 to 30 years. However, French people who have been working and living in London for 20 or 30 years, paying taxes here, contributing in every sense to our economy, cannot vote. There are a whole set of issues there which we need to explore in detail. This is not an ordinary vote. As has been said during this debate and elsewhere, this is a vote about the future of this country, and therefore we need to look at the franchise for this exceptional vote in exceptional ways.

The noble Lord, Lord Norton, and other noble Lords raised the question of threshold, which clearly we will have to explore a little, although it is a very difficult issue. Whatever happens at the end of it, if we have a narrow majority, either with a low or a high turnout, it will not settle the issue. However, we all know that referendums do not settle the issue. Six months after the 1975 referendum, the Labour Party was still arguing against staying in the European Union, and look at what happened in Scotland, where the referendum did not settle the future of that country.

The issue of the provision of information is extremely important and very difficult, and again we need to spend some time on it. We have to ask for a White Paper; certainly we need to look at the implications of leaving and, if possible, the prospect of staying. However, I bear hard scars from the problems of having to try to create dispassionate evidence on Britain's relations with Europe. I spent two years in government negotiating 32 reports on the balance of competences between Britain and the European Union. Some 2,500 pieces

of evidence came in; the Conservatives put that in the coalition agreement because they were convinced that this would provide the evidential basis for knowing what sort of powers we would want to repatriate from Brussels back to Britain. The overwhelming evidence submitted to the balance of competences review—from business, universities, financial and legal services—was that they think the current balance of competences is pretty good, thank you. The evidence submitted by easyJet began: easyJet would not exist if it were not for the single market in the European Union.

How did the press and No. 10 react to this? They did their best to bury the balance of competences reports in full. They were usually published at the beginning of the Christmas or the July Recess, just to make sure that the press were looking somewhere else instead. That is part of the problem in trying to get dispassionate evidence into our debate: myths float by us, undisturbed by reality.

I saw in a Church of England blog, which the right reverend Prelate the Bishop of London referred to yesterday, that a lay member of the synod of Canterbury said that one of the reasons why the BBC is so biased in favour of Europe is because it receives so much significant funding from the European Union. I look at that with amazement. That is clearly going round in some circles as part of this wonderful phantasmagoria of the EU as a monster, reaching across the Channel to seduce honest Englishmen, strangle our free institutions and reduce us to serfdom under German—and perhaps also French—domination. Therefore, we will struggle between evidence and myth as we go on through this debate.

I will remark on one of the myths, which I have heard several times in this debate: “We thought we were joining a Common Market, and no one ever told us that this was a political project”. Indeed, the Prime Minister himself, in his speech to the Conservative Party conference last week, said:

“When we joined the European Union we were told that it was about going into a common market, rather than the goal that some had for ‘ever closer union’”.

Last night, therefore, again I dug out Sir Alec Douglas-Home’s speech on 21 October 1971, on the first day of the Commons debate on the issue of principle of joining the European Economic Community. He said that,

“when Germany, France, Italy and the rest sit down to talk about their problems of security, and their attitude to world problems ... it is vital that we should be in their councils. During the last year I have ... been in the councils of the Ten, because they have anticipated the larger Community. Matters are talked about there which concern the defence of Europe and the defence of Britain. Matters are talked about—for example, the Middle East—which have the greatest implications for our country. It is essential that we should be in the councils when these questions are discussed, and that a decision should not be taken without us”.—[*Official Report*, Commons, 21/10/71; col. 922.]

I say that for all those who think that we would be better off as a sort of Switzerland with nuclear weapons, which I think is what—

Lord Forsyth of Drumlean: NATO.

Lord Wallace of Saltaire: The noble Lord intervenes on NATO. If you go to Washington now, you will discover that they think that NATO is a European

organisation, and they argue very strongly that NATO and the European Union should work more closely together, because they see them as parts of the same outfit. There is not a sharp difference between the EU and NATO, and the overwhelming majority of members of NATO are also members of the EU. It is not a contradiction. The two go together; they complement each other.

The argument has also been made throughout this debate that the EU has changed beyond all recognition since 1975. That is partly because of British initiatives and efforts: Margaret Thatcher’s initiative on the single market; national deregulation and European reregulation, which of course meant different regulations as we negotiated some of them, but not an overall increase in regulation; and eastern enlargement, which Margaret Thatcher pushed for, with the unintended effect that of course when Poland came in, as she wanted it to, a large number of Poles decided that they wanted to move here, which was one of the interesting unintended consequences.

The world has also changed enormously since 1975. We are in a different global economy; the national companies that used to exist have become multinational; we have integrated production models in which every Airbus sold by the French has over 30% of British parts in it, and every car built in Britain and Germany has parts from other countries throughout Europe; and similarly, we have cross-border financial services, legal services and the like.

Britain has also changed. The noble Viscount, Lord Ridley, said, powerfully, “We want our independence back”. I would like to have back our regional economies. I spent much of my life in the north of England; in Yorkshire you used to have textile mills and building societies. He is from the north-east; we had ICI and Northern Rock. He will remember Northern Rock—it was quite a good building society in his time and did quite a lot for the regional economy. However, these things have all changed. Now Nissan keeps the north-eastern economy going, and I much regret that we no longer have regional banks. The bank that my father used to work for, Barclays, which used to do a lot of useful regional investment, has just chosen an American investment banker as its chief executive. That is rather different from the sort of national economy in which I grew up.

Therefore, we all have to adjust to a global world in which independence and sovereignty have gone. After all, sovereignty goes most easily with protection. Free trade requires international co-operation. Globalisation means global regulation, or regulation by the world’s leading economy, which so far, of course, has been the United States. If we wish to co-operate with others in managing a global economy, we should surely start by co-operating most closely with our neighbours, and if we cannot do that, we should not hold to the illusion that we would find the Chinese, the Russians, the Saudis and the Indians easier partners than the French or the Germans.

8.09 pm

Lord Collins of Highbury (Lab): My Lords, I start by associating myself and these Benches with the comments of the noble Lord, Lord Kerr, in relation to

[LORD COLLINS OF HIGHBURY]

Lord Howe and Lord Healey. I feel that their contributions have been sorely missed today. They would have made this debate very interesting and their experience will be sorely missed in this House. Of course, our condolences go to the noble Baroness, Lady Howe, too.

We support the Bill and its passage through Parliament. We also support Britain remaining a member of the EU. We agree that the European Union needs to change. Like many in this debate we want reform in Europe on benefits, transitional controls, the way the EU works and how it relates to national parliaments. We also want the completion of the single market in services to boost jobs and economic growth here in the United Kingdom. We need to co-operate to achieve these things but the EU needs to recognise that there is a growing demand across societies in Europe for greater devolution of power at the same time. We need to co-operate and devolve, and the EU's task in the years ahead is to reconcile these two forces.

While the Prime Minister has set out a strategy for the renegotiation of our relationship with the European Union, he has not set out in full what he is asking for. We have heard the Minister say before that it would be unwise for the Government to show their full negotiating hand. Like the noble Lord, Lord Lawson, I hope tonight she will be prepared to throw a little more light on the subject. The problem for the Prime Minister is that there is nothing he can negotiate that will satisfy a significant proportion of his parliamentary party. The danger is that our position in Europe will be dictated by the politics of the Conservative Party rather than the national interest. Whatever the divisions within the Conservative Party, the Government have a collective responsibility to ensure that the British people know what the consequences will be if they vote to leave the EU—a point well made by the noble Lord, Lord Boswell, and your Lordships' committee. We shall therefore be making the case strongly in Committee that the Bill should include the requirement for the Government to set out to Parliament the consequences of leaving the European Union and what that means compared with our remaining a member. Those who want to take us out of the EU in the name of sovereignty will have to explain why leaving collective institutions where many of the rules of our economy are decided, and where we are currently represented, would enhance our power and influence. They will have to show why the major markets in the world outside the European Union would view us as a more attractive proposition if we left.

As my noble friend Lord Rooker said, lots of people have changed their minds on Europe. In the 1975 referendum I was secretary of my local Get Britain Out campaign. It was not a successful campaign but it is clear from today's debate that many of the changes in Europe which persuaded me of the benefits of membership, such as the development and protection of workers' rights, have had the opposite effect on many noble Lords. We have been travelling, in a way, crossing paths. To me, the development of the European Economic Community without the social dimension was very one-sided, but the development of that social dimension has changed the nature of the European Union for me and for my party for the good. As my

noble friend Lord Radice highlighted, it is interesting that 40 years on it is the Conservative Party that has agreed to a referendum to try to deal with internal divisions. However, as he and my noble friend Lord Liddle said, reform is not just about what Britain asks for now; it is about the building of alliances—an approach that can bring considerable change over time. As my noble friend Lady Royall said, the proportion of the EU budget spent on the common agricultural policy demonstrates that change is possible by building alliances and arguing the case, not walking away. The EU will need to continue to reform in the years ahead not least, as we have heard in this debate, because the world is changing dramatically and the institutions of the European Union will need to do likewise.

On the franchise, I hear what the Government are saying: that it is right to use the same basic approach as 40 years ago in the last European referendum and as five months ago in the general election—in other words, to stick to the parliamentary voting register. On EU citizens, I think it was the noble Lord, Lord Balfe—I do not see him in his place—who mentioned that he would be quite happy to give assistance to citizens of other European Union states to become citizens of the UK. My husband, who has been my partner for 20 years and has been living in this country, is a Spanish citizen. I think that he would be quite keen to take up that offer of assistance, but I also assume that the noble Lord would be prepared to pay the £1,000 fee, which of course is what most European citizens would have to do if they were to take up dual citizenship.

As we have heard in this debate, referendums are rare; they are not part of the usual business of politics in this country. They have been used in matters of constitutional importance and, as in the case of Scotland, they have been described as once-in-a-lifetime opportunities. I do not think that our young generation should miss the opportunity to shape their future and it is really important that we address this issue. The noble Lord, Lord Tyler, mentioned the contribution in the other place from the Conservative MP Dr Sarah Wollaston. I should like to quote her. She said that,

“since nearly one in four 16-year-olds can expect to live to 100 years of age and will be living with the consequences of this decision for far longer than Members of this or the other House, and given that they have the mental capacity to weigh up these decisions and the enthusiasm to take part, we should extend the franchise”.—[*Official Report*, Commons, 9/6/15; col. 1062].

I could not agree more.

Contrary to the view of the noble Lord, Lord Borwick, failure to extend the franchise is completely at odds with the other rights that we already give to 16 and 17 year-olds, as we have heard in this debate, including the right to work, pay tax, join the Armed Forces, be company directors and consent to medical treatment. It is a long, long list. It is odd that the Government's position in the Wales Act 2014 is to devolve to the Welsh Government the power to decide whether 16 and 17 year-olds can be given the vote. The Government are giving that power to Wales and it has been exercised in Scotland, yet they are blocking it in this instance. Why should English and Welsh 16 and 17 year-olds and Scottish 16 and 17 year-olds be treated differently in this referendum? What better way to get

more young people involved in our democratic life than to give 16 and 17 year-olds the opportunity to take part in this momentous decision, which will affect their lives and their futures just as much as it will affect ours?

The Minister will no doubt say that we should not use this referendum to change electoral law, although of course we are doing that with a few exceptions, such as the small but overwhelmingly older generations in this House and the citizens of Gibraltar. My case is that this referendum is exceptional and we need to make an exception now for young people to vote on their future. As my noble friend Lord Anderson said, the world is constantly changing. The challenges that we face as a nation of creating jobs for future generations, of growing the economy so that we can continue to support the NHS and an ageing population, and of combating climate change, terrorism and insecurity cannot be solved on our own. Our future lies in co-operation in the European Union.

8.20 pm

The Minister of State, Foreign and Commonwealth Office (Baroness Anelay of St Johns) (Con): My Lords, today's debate has been vigorous and passionate, and rightly so. I believe that it presages the same kind of energy that we will see across the House when we reach Committee, and I look forward to engaging with noble Lords on those matters. Of course, I will continue to hold all-party meetings with noble Lords and will make sure that there is one such meeting before Committee. We have also produced some factsheets to assist noble Lords with some of the technical detail, and those will continue to be available.

Noble Lords have ranged very widely in their speeches today, and there is nothing wrong with that. We have heard many thoughtful, considered arguments across the whole panoply of issues and I have valued the opportunity to listen to those today. However, I trust that the House will understand that in my response I will focus mostly on the Bill itself, looking at its provisions and the principle of holding a referendum. Even though this Second Reading debate started at 11 o'clock this morning, I can see that Members of the House are as vigorous on this matter now as they were then. It is a model of the House of Lords for others to watch and, I hope, admire.

I have been asked many questions about the negotiations and perhaps I may deal with that matter first. The Prime Minister made it clear that there are four areas where he wants change: sovereignty, economic governance, competitiveness and immigration. For example, ever closer union—on which we had a very interesting exchange on the Floor of the House earlier this evening—may be right for others but we believe that it is not right for Britain. We wish to protect Britain's interests outside the euro. We want to increase economic competitiveness to create jobs and growth for hard-working families, and we want to reform welfare to reduce the incentives that have led to the mass immigration from Europe.

Policy talks have been taking place between the Prime Minister, the Chancellor of the Exchequer, the Foreign Secretary and the Minister for Europe with a

range of our colleagues across the rest of the European Union. Technical talks on the four areas for reform set out by the Prime Minister began in June following the June European Council.

The noble Lord, Lord Stoddart, very properly asked the testing question—as he put it—of what the Prime Minister would do if he believes that the negotiation has not delivered the result he wants. In that case, would the Prime Minister recommend that Britain consider voting to leave the European Union? The Prime Minister has made it clear that, in those circumstances, he would rule nothing out. But he has also made it clear that he is confident that he will carry through a strong negotiation and achieve the right result for the UK and the rest of the European Union.

If I may, I will turn to the Bill itself. Noble Lords raised interesting points on the franchise for the poll, how we can ensure that the public can make an informed choice and, of course, the issues arising from Section 125 of the Political Parties, Elections and Referendums Act. I will try to address some of those issues now. With the leave of the House, I will give an indicator of the Peers who spoke on a given issue without referring to each individual, given that over 50 people have spoken. Sometimes, where only one person raised an issue, I shall do so.

First, I am glad to see such clear support in this House for the Bill making its passage through Parliament and becoming law. I know that there is, shall we say, a difference of view about how welcome referendums are in principle and, perhaps, in practice. However, overwhelmingly, there was support for the principle of giving the British people the opportunity to have their say. As my noble friend Lord Dobbs said, let them have their voice and make the choice. On the other hand, my noble friend Lord Bowness thought the referendum unwelcome, but he recognised that the Bill should pass.

I am grateful to noble Lords for making it clear that the matter of the referendum question itself is settled and gives the British people the opportunity to make a clear choice: remain a member of the European Union or leave the European Union. It is crucial to our ability to move forward as a nation that the referendum is fair and is seen to be fair. That is what this Bill sets out to deliver. Noble Lords made several suggestions about bringing forward amendments to, as they see it, improve that fairness.

The franchise has been raised, quite reasonably, as an issue of importance for the referendum. There have been multiple suggestions about who should be added. Noble Lords who referred to the franchise in various guises include the noble Baronesses, Lady Royall, Lady Morgan of Ely, Lady Smith of Newnham, Lady Crawley, and Lady Suttie; the noble Lords, Lord Tyler, Lord Jay, Lord Teverson, Lord Harrison, Lord Kerr of Kinlochard, Lord Shipley, Lord Elis-Thomas, Lord Hannay, Lord Rooker, Lord Maclennan, and Lord Tomlinson; and my noble friends Lord Tugendhat and Lord Dobbs. I suspect that there are others who I have managed to miss, and I apologise to them.

The link between franchise and favouring one result over another has also been mentioned. It is important that we have a franchise that is seen to be fair. Given the

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national importance of this decision, we believe that the appropriate starting point is the Westminster franchise. To that, as noble Lords have commented, we have added Members of this House, who are already represented in Parliament, and Commonwealth and Irish citizens in Gibraltar. We believe that, in following the Westminster franchise, we are following precedent. The 1975 poll on EEC membership and the 2011 poll on the alternative vote system used the same franchise, with the exception of Gibraltar. The European Union Act 2011 used the same franchise, except, of course, that this Bill adds Irish citizens in Gibraltar for consistency with the position in the UK.

Noble Lords pointed to the inconsistency between the voting ages for different elections. We have responded to requests to increase the powers of the devolved Administrations. As a result, the power to determine the voting age for Scottish Parliament and local elections in Scotland was devolved to the Scottish Parliament. Therefore, 16 and 17-year olds in Scotland will be able to vote in these elections in 2016. The noble Lord, Lord Tyler, said that he believes that the Cabinet had been persuaded that it was a good idea that 16 and 17-year olds should vote in Scotland. The decision was taken by the Cabinet to devolve the decision to Scotland on the basis that it was right for them to make the decision. It was made clear at the time that that was the case.

Lord Tyler: Will the Minister give way?

Baroness Anelay of St Johns: I shall, although I suspect that I shall then be cutting out a reference to other noble Lords. I am accurate in what I have said.

Lord Tyler: I will be as brief as I can. Is the Minister therefore saying that the Cabinet was not fully aware of the consequences of giving that decision to the Scottish Administration?

Baroness Anelay of St Johns: My Lords, I did not say that in the slightest. I was correcting the impression that the Cabinet had made the decision to give the vote to 16 and 17 year-olds. I would not wish the accurate facts to be misunderstood: the Cabinet took the decision that the decision should be devolved to Scotland. I think it is right that Scotland made the decision because it was a referendum about the position of Scotland.

The Wales Bill will give to the Welsh Assembly the power to determine the voting age for Welsh Assembly and local elections in Wales. This change will not be made in time for the 2016 elections.

It is a fact that devolution gives rise to inconsistencies. I appreciate that there will be very lively debate on these matters when we get to Committee. Noble Lords have said, in support of extending the franchise to 16 and 17 year-olds, that we should value their views. We do. Others have said that young people are engaged and politically active, and that they are able to take these decisions. Indeed, this may well be true, but it is also true of many 15 year-olds, and we have not had a thorough debate on where the franchise should extend. One or two noble Lords referred to the fact that

political engagement is not necessarily true of all 50 year-olds, but that is another matter. Political engagement, surely, or lack of it, should not be enough justification for giving or denying a vote to someone.

As I set out this morning, we believe that changing the entitlement to vote should be achieved through specific legislation. It should be considered properly; there should be full consultation; it should be considered through both Houses of Parliament in the normal manner; and it should command a consensus. Although I hear very strongly the views of the House today about 16 and 17 year-olds, I say to noble Lords that there is not consensus on this matter at the moment. I shall look forward to hearing further arguments in favour of changes to the franchise when we reach Committee. Apparently, Parliament has not had the time to scrutinise properly the implications of such a change.

The question of EU citizens voting has also been raised and debated. There is nothing in the EU treaties that says that EU citizens should be allowed to vote in referendums or parliamentary elections in other EU member states. This is for member states themselves—meaning this Parliament—to determine. It is the norm across the EU that EU citizens are not able to vote in national polls in other member states. I am not aware of any other member state that would extend such a vote to citizens of other EU states.

British citizens were not enfranchised, for example, in the Dutch or French referendums of 2005. Many EU nationals who have lived here for many years are a valued part of our society, and many of them choose to take UK citizenship. Whatever the cost, they choose to do so. They will, therefore, have the right to vote.

There are also questions about why certain people living overseas cannot vote.

Lord Hannay of Chiswick: Will the noble Baroness recognise the point made by an earlier speaker that none of the precedents she talks about in the European Union relates to a country voting on whether to leave the European Union? The argument for giving EU citizens here the vote is that their rights are going to be fundamentally affected. They were not fundamentally affected in the same way by these other referendums. I think, therefore, that it would be good if she could recognise that there is a total difference in nature between this referendum and the others that have taken place in the European Union.

Baroness Anelay of St Johns: My Lords, I always respect the views of the noble Lord, Lord Hannay. Indeed, this is the first time that a country is facing the opportunity to vote to leave the European Union, but it is my understanding, from colleagues across Europe, that they certainly viewed the referendums held there as being of great seriousness for the future of their countries.

I have been asked specific questions. The noble Baroness, Lady Miller of Chilthorne Domer, asked how many British citizens live abroad. There are a number of different estimates, but in 2013 the United Nations estimated that there were 5.2 million British-born migrants abroad, of whom 1.3 million were in other EU member states. There are, however, no figures distinguishing how many have been away for longer

than 15 years. I know from visiting our embassies overseas that when British citizens travel or settle, they do not usually let the embassy know—so we do not have the opportunity to gather that information.

Noble Lords asked about removing the 15-year rule for overseas voters. We are committed to doing so; it was in our manifesto; and we are keeping the promises in our manifesto. A Bill will be brought forward, but it will be a Bill to consider the matter of franchise and not something to be rushed through in time for any particular piece of legislation in this Session.

I was also asked about an anomaly by the noble Baroness, Lady Smith of Newnham, who commented that Peers overseas can vote if they have been there for more than 15 years and others cannot. What I can say to her is that Peers are in the same position as anybody else. If they are resident overseas and have been for more than 15 years, they are subject to the same 15-year rule, just like any other British citizens resident overseas.

There was very strong debate on public information, with the noble Baroness, Lady Morgan of Ely, the noble Lords, Lord Hannay, Lord Jay, Lord Tugendhat, Lord Kerr of Kinlochard and Lord Cavendish of Furness, and many others very properly saying that it was important that the public should be able to make their decision based on reliable information. It is difficult to know how individuals determine what they believe to be reliable information, but that is something we will have to consider. I listened very carefully indeed to every noble Lord who made points about the publication of material, whether it was by government, whether it was government to commission work from the OBR, whether it was government to provide some statistics that would be in some way scientific and independent, or whether it was a White Paper. I would like to consider further exactly what that material might look like and what kind of information could be produced that is proper and helpful, and noble Lords have a strong role to play in those discussions.

Clearly, there is a role for the Government in all that. The noble Lord, Lord Forsyth, proposed that there should be a White Paper on the matter of leaving the European Union. Whatever information is produced by the Government should also say very strongly what the implications are of staying in the European Union, because it is a matter of inviting people to make a decision between remaining and leaving. Therefore, the Government's duty is to look at both those matters.

The Bill is all about putting the question to the British people. It does not make provision about what happens next. I was asked whether the result would be legally binding. Clearly, at the moment, it is not sensible for us to guess about the best way to implement the result, but, as the noble Lord, Lord Hannay, said, this would be the first time that a member state had had the opportunity to vote to leave. If we got to the position where the country decided that it wished to leave, we would then get into the newer territory of working through those procedures.

Perhaps I may deal first with whether the result would be legally binding. I was asked by the right reverend Prelate the Bishop of London whether the Government would respect the result of the referendum.

The Prime Minister has made it clear that we will respect the result of the referendum even though it is not legally binding. In March 2010, the Constitution Committee of this House considered referendums in the UK and concluded that, because of the sovereignty of Parliament, they could not be truly legally binding—my noble friend Lord Norton of Louth was on the Constitution Committee, so I know that he will appreciate the details of that.

With regard to the process of leaving, I was asked about the Article 50 process by the noble Baroness, Lady Smith of Newnham, I believe. She nods her assent. The Prime Minister, of course, is focused on success, as I mentioned earlier, so we are not going to speculate on what might happen if there is a vote to leave the European Union. In general terms, and I have certainly had advice on this before from my noble friend Lord Bowness, Article 50 provides a mechanism for states to withdraw from the EU. Once a member state has notified the European Council of its intention to withdraw, it would have to negotiate its future relationship with the EU. This is agreed by a qualified majority of the member states, with the consent of the European Parliament. Article 50 gives a limit of two years for these negotiations, which can be extended with unanimous agreement before the treaties cease to apply.

While I am dealing with individual questions, I will refer to one from the noble Baroness, Lady Royall, who asked about the implications of the lobbying Act. The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act does not prevent companies setting out their views on EU membership. That Act amended the rules for third parties campaigning in elections; it did not amend the rules for campaigning in referendums. The Bill applies Part 7 of the Political Parties, Elections and Referendums Act, which sets out the rules for campaigning at referendums. These rules do not prevent companies making their views known to workforces and customers.

On campaigning itself, the campaign rules were considered in another place. It has been such a long time since PPERA was passed in 2000 that the House of Commons agreed to uprate the spending figures in line with inflation. Fact sheets are available with information on that. Noble Lords rightly concentrated their fire on the whole issue of Section 125 of the Political Parties, Elections and Referendums Act. This concerns restrictions placed on publicly funded bodies and individuals on publishing certain material in relation to the referendum in the final 28 days of the campaign. The restrictions of this section will apply in full following an amendment made on Report in the other place. The power to which noble Lords referred to set out in regulations any exemptions to those rules was also added to the Bill at the same stage. Clause 6, which stands in the Bill before us, was passed without vote in the other place. There was no dissent. It is only proper that any regulations made using this clause will be subject to the affirmative procedure in both Houses.

To my noble friend Lord Lamont and the noble Lord, Lord Kerr of Kinlochard, I can say that Section 125 places a restriction on publishing material that deals with,

“any of the issues raised by”,

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the referendum question. Publication means to make something available to,
“any section of the public, in whatever form”.

We are now taking stock, as I mentioned earlier, reviewing the implications of living with Section 125 in full and determining whether that is possible or whether we will need to use the power to make regulations.

Lord Forsyth of Drumlean: My Lords—

Baroness Anelay of St Johns: I was about to come to my noble friend’s questions.

I now come to the questions posed by my noble friends Lord Forsyth and Lord Ridley. I was asked about the Government’s commitment to four months’ notice of a campaign that would last for 10 weeks. It was suggested that this should be in the Bill. The four months’ notice applies only when regulations are made under Clause 6. There must then be at least four months between the making of these regulations and the referendum date. We believe it would be wrong to set the referendum period now, while the date of the referendum is itself undecided. Paragraph 1 of Schedule 1 to the Bill provides a power for Ministers to set the referendum period in regulations subject to the affirmative procedure. However, the Government have indicated that we do not intend to set a referendum period any shorter than the 10 weeks provided for in the PPERA.

My noble friend Lord Forsyth said that he believed Section 125 does not apply to Scottish Ministers and the Scottish Government. Section 125 applies to,

“any other person or body whose expenses are defrayed wholly or mainly out of public funds or by any local authority”.

So, yes, it does indeed apply to the Scottish Government. The activities of the Scottish Government are funded entirely from the Scottish Consolidated Fund.

Lord Forsyth of Drumlean: I am most grateful to my noble friend for that helpful piece of information. Can she just tell me how long it will take her to take stock? I am trying to be helpful but there is a degree of suspicion that perhaps the Government might be tempted to water down the position on purdah. I really do not understand why the Government cannot take stock and produce regulations while we are considering the Bill, so that the House has an opportunity to discuss

it. What exactly is the problem? Is it the shortage of manpower in the Foreign Office? What is the difficulty that prevents the Government saying what these regulations should be?

Baroness Anelay of St Johns: My Lords, if it were an easy matter we would have resolved it by now. It is a matter whereby, to ensure that we properly bring forward regulations—if we do at all—before this House, we take full legal advice and take into account all the ramifications of government business. On the position of Members of another place and ourselves, if we are speaking outside parliamentary privilege and all related matters, this is not a matter to be resolved in a way that this House would find unsatisfactory. We are taking care. The debate today and further debates will feed into those decisions. That is the important matter. Noble Lords have that voice, and I know I will listen to it.

My noble friend Lord Ridley referred to John Penrose giving a commitment to a 16-week referendum period which should be on the face of the Bill. All I would say is that my honourable friend John Penrose made it clear that we do not intend to set a referendum period any shorter than the 10 weeks provided for by PPERA and the 16-week—or four-month—period is already in the Bill. If my noble friend has a moment later to look at Clause 6(6), he will see that the provision is there. I have been rescued—I have been giving away too many copies of my Bill; clearly it is too popular a document. Subsection (6) states:

“Any regulations under subsection (2) must be made not less than four months before the date of the referendum”.

I am very grateful for the care, attention and energy displayed by noble Lords today. It is a privilege to stand here and bring forward this Bill for your Lordships’ attention. What we are doing is so important, as many noble Lords have said. It is a chance in a lifetime to give the British people their say on whether the United Kingdom remains a member of the European Union or leaves it. I look forward to the vigorous debates to come. I believe that today we have set this Bill on the road to giving the British people the chance to make their decision. I commend the Bill to the House.

Bill read a second time and committed to a Committee of the Whole House.

House adjourned at 8.49 pm.

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