

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT TRANSPARENCY OF DONATIONS AND  
LOANS ETC. (NORTHERN IRELAND POLITICAL  
PARTIES) ORDER 2018

*Tuesday 19 December 2017*

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**Saturday 23 December 2017**

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**The Committee consisted of the following Members:**

*Chair:* STEWART HOSIE

- |  |   |
|--|---|
| † Adams, Nigel ( <i>Selby and Ainsty</i> ) (Con)                           | † Hoare, Simon ( <i>North Dorset</i> ) (Con)  |
| † Antoniazzi, Tonia ( <i>Gower</i> ) (Lab)                                 | † Morris, David ( <i>Morecambe and Lunesdale</i> ) (Con)                              |
| † Beckett, Margaret ( <i>Derby South</i> ) (Lab)                           | † Phillips, Jess ( <i>Birmingham, Yardley</i> ) (Lab)                                 |
| † Bradshaw, Mr Ben ( <i>Exeter</i> ) (Lab)                                 | † Pound, Stephen ( <i>Ealing North</i> ) (Lab)  |
| † Brock, Deidre ( <i>Edinburgh North and Leith</i> ) (SNP)                 | † Smith, Chloe ( <i>Parliamentary Under-Secretary of State for Northern Ireland</i> ) |
| † Burghart, Alex ( <i>Brentwood and Ongar</i> ) (Con)                      | † Smith, Owen ( <i>Pontypridd</i> ) (Lab)   |
| † Clarke, Mr Simon ( <i>Middlesbrough South and East Cleveland</i> ) (Con) | † Tracey, Craig ( <i>North Warwickshire</i> ) (Con)                                   |
| † Dakin, Nic ( <i>Scunthorpe</i> ) (Lab)                                   | Danielle Nash, Dominic Stockbridge, <i>Committee Clerks</i>                           |
| † Double, Steve ( <i>St Austell and Newquay</i> ) (Con)                    | † <b>attended the Committee</b>   |
| † Foster, Kevin ( <i>Torbay</i> ) (Con)                                    |   |

The following also attended, pursuant to Standing Order No. 118(2):

Paisley, Ian (*North Antrim*) (DUP)

Wilson, Sammy (*East Antrim*) (DUP)

## Third Delegated Legislation Committee

Tuesday 19 December 2017

[STEWART HOSIE *in the Chair*]

### Draft Transparency of Donations and Loans etc. (Northern Ireland Political Parties) Order 2018

2.30 pm

**The Parliamentary Under-Secretary of State for Northern Ireland (Chloe Smith):** I beg to move,

That the Committee has considered the draft Transparency of Donations and Loans etc. (Northern Ireland Political Parties) Order 2018.

It is a pleasure to serve under your chairmanship, Mr Hosie. The draft order will provide for the full publication of donations and loans received on or after 1 July 2017 by Northern Ireland political parties and other regulated donees or participants. The current regulatory framework provides for information on political donations and loans to Northern Ireland recipients above relevant thresholds to be reported to the Electoral Commission. However, the commission is forbidden by law from publishing that information except in very limited circumstances. Hon. Members will be aware that that contrasts with the position in the rest of the United Kingdom, where information on donations and loans to political parties is published quarterly.

Party funding regulations were introduced across the UK by the Political Parties, Elections and Referendums Act 2000. At the outset, however, those arrangements did not apply to Northern Ireland, because of the risk of intimidation of donors was a major concern at the time. The Northern Ireland (Miscellaneous Provisions) Act 2006 extended the 2000 Act to Northern Ireland, with provisions in place to prohibit the publication of Northern Ireland political donations. The Electoral Administration Act 2006 made UK-wide provision for the reporting and publication of loans to political parties, similar to the provision already in place for donations. The Electoral Administration Act 2006 (Regulation of Loans etc: Northern Ireland) Order 2008—forgive me for all the long titles, Mr Hosie—extended the provisions of its parent Act to Northern Ireland, with modifications to prohibit the publication of details relating to loans made for political purposes. The donations and loans confidentiality provisions were always considered to be temporary. Public support for transparency has remained strong and consistent since the provisions have been in force.

The Government have made increasingly clear our desire for increased transparency with regard to Northern Ireland political donations and loans. In January, my right hon. Friend the Secretary of State wrote to the Northern Ireland political parties to seek their views on moving to full transparency. For the first time, all the parties that responded agreed that the time was right to introduce transparency to Northern Ireland. He also asked the Northern Ireland parties for their views on the date from which transparency should take effect. Of the parties that responded, only the Alliance party suggested that publication should be backdated. The issue was

further discussed in the political talks that followed the Assembly election in March. Again, there was consensus that transparency should be introduced, and again only the Alliance party suggested that publication of donations and loans should be backdated.

The Secretary of State subsequently announced to the House that the Government would bring forward secondary legislation to introduce transparency, and I am pleased to present this important legislation to the Committee. In the light of the responses received from the political parties in Northern Ireland about the date from which transparency should take effect, and to ensure consistency with the Electoral Commission's quarterly reporting schedule, the draft order will provide for the publication of details relating to all donations and loans received on or after 1 July 2017.

Let me take the Committee through the draft order in detail. Although its primary objective is to provide for the publication of donations and loans in the way I have described, it also contains provisions to address a range of related issues, particularly in relation to the operation of the Political Parties, Elections and Referendums Act. That Act provides for details of donations and loans received over the calendar year by a recipient from the same source to be published when their aggregate total exceeds the reporting threshold. Articles 2 and 3 of the draft order therefore provide for the publication of details about a donation or loan received before 1 July 2017 if it is aggregated with a donation or loan received on or after that date.

Hon. Members will be aware that the Northern Ireland (Miscellaneous Provisions) Act 2014 does not permit the draft order to make provision that would allow for any information on donations or loans made or entered into before 1 January 2014 to be published in a form in which it would be possible to identify the donor or lender.

Loans or donations may not be one-off events, and changes to a loan may be made over time. Certain changes to a loan—such as a change in value or rate, a change of repayment term, a change of parties or the loan coming to an end—must be reported to the Electoral Commission. Article 3 provides for reportable changes taking effect on or after 1 July 2017 to be published if the loan was entered into on or after 1 January 2014. The effect will be that a change to such a loan that takes effect on or after 1 July 2017 will result in the publication of all details relating to that loan, including from the pre-1 July 2017 period. However, the draft order provides that such publication will not take place if the change to the loan is simply the repayment of the whole of the debt, or all the remaining debt, under the loan.

The prohibition on commission officials disclosing information relating to Northern Ireland political donations and loans is supported by a criminal offence. That will remain the case for donations and loans received before 1 July 2017, unless the disclosure relates to aggregation or a reportable change to a loan, as provided for elsewhere in the draft order. Articles 2 and 3 further provide that the commission will not be acting contrary to the prohibition on disclosure if commission officials publish information relating to a donation or loan received after 1 January 2014 and before 1 July 2017, so long as the relevant donation or transaction report does not state that the donation or loan was received before 1 July 2017 and commission officials believe that it was received on or after 1 July 2017 and were reasonably entitled to hold that belief. I think that was the longest

single sentence I have ever spoken in a Delegated Legislation Committee, Mr Hosie, but there may be more like it coming up.

Hon. Members may be aware that the Political Parties, Elections and Referendums Act permits donations and loans from certain Irish citizens and bodies to Northern Ireland recipients. Additional information must be provided in donation reports to the Electoral Commission in respect of those donors in order to confirm their identity. Article 5 provides that such information, which includes passports and statements of naturalisation, will not be published by the commission; clearly it would be inappropriate to publish such sensitive personal information. However, I assure the Committee that all other information that relates to Irish donations and loans received from 1 July onwards will be published in the normal way.

Articles 6, 7, 8 and 9 will require political parties and regulated donees or participants to provide dates on which donations or loans are received, particularly for those received before 1 July 2017. This will minimise the risk of pre-1 July 2017 donations and loans being published in error.

Articles 10 and 11 will ensure that the current verification steps undertaken by the commission to verify Northern Ireland donations and loans will continue to apply to Northern Ireland donations and loans received on or after 1 July 2017.

The Political Parties, Elections and Referendums Act provides for reports to the commission to be submitted and published at different times, depending on whether the recipient is a political party or a regulated donee or participant. Article 12 provides that the first publication of regulated donee information can take place only at the same time as, or after, political party information has been published.

I hope that the Committee has found that summary of the provisions helpful. As hon. Members know, the Electoral Commission will be responsible for implementing the arrangements set out in the draft order. The Government have fulfilled our statutory obligation to consult the commission about the draft order; I place on the record my thanks to the commission and its staff for their close co-operation and constructive input into the drafting process.

In summary, there remains widespread support among the people of Northern Ireland for full transparency. There has been a welcome recognition by the political parties of the importance of transparency to the broader political process.

While there is still much work to be done in re-establishing an Executive in Northern Ireland, I have no doubt that the order before us today is an important milestone that will strengthen confidence in and support for the democratic process in Northern Ireland more generally. For this reason, I hope that hon. Members will support the order.

2.40 pm

**Owen Smith** (Pontypridd) (Lab): It is great pleasure to serve under your chairmanship, Mr Hosie.

May I start by saying that we in the Labour party welcome the moves the Government are making today to introduce transparency in Northern Ireland? They are long overdue and we would like to be able to support them wholeheartedly, but we cannot because of one aspect of the statutory instrument—the timing of the commencement of this introduction of transparency.

I welcome the Minister's explanation of exactly what the order does. There were a lot of long sentences and acronyms, but the matter is actually quite simple—the history, why there is some controversy around it, and why we in the Labour party and other parties feel we cannot support it as it is drafted. The simple truth is that Labour tried to introduce transparency across the whole UK in respect of political donations in PPERA 2000, but there was agreement between then and effectively 2014 that Northern Ireland would be exempted from those provisions because, as the Minister rightly said, of concerns about the security and safety of individuals, the exposure of whose names as donors within Northern Ireland might lead them to be at risk.

We supported the extension from 2006 of the rolling over, if you like, of restrictions, which allowed political parties in Northern Ireland to report the nature of their donations to the Electoral Commission, but for those not to be made public. We supported the Northern Ireland (Miscellaneous Provisions) Act 2014, which, again as the Minister said, changed that legislation and allowed the Electoral Commission in Northern Ireland to publish from 1 January 2014 the details of individual donors if the Secretary of State—this is the key power that he was given in that Act—moved through an Order in Council, as the Government are doing today, the ability for the Electoral Commission to do so.

At this point, I want to pay tribute to the work of Naomi Long, the former Member for Belfast East, to ensure sure that that was placed on the statue book in 2014, and for being a resolute campaigner—both she, and her party more broadly—for transparency before and after that date.

The question—the controversy—today is essentially about the date of the commencement of this provision. The provision is retrospective: it looks backwards to the mid-point of this year, and applies to all donations that might have been made since July, but it could have been applied right back to 1 January 2014, as the original 2014 legislation envisaged.

The question is quite simple: why did the Government choose not to do anything between 2014 and 2017? Why, at the beginning of 2017, after seemingly having no interest in this matter for the previous three years, did they choose to write to the political parties in Northern Ireland, asking their opinion about whether the time was now right for the 2014 legislation to apply, potentially from the first date of retrospective action, 2014.

There is concern about that letter and the subsequent decision to make this only prospective, and apply it only going forward, because of one particular donation. That is a donation of £425,000—the biggest donation, as far as I know, in the history of Northern Ireland politics—to the Democratic Unionist party, £300,000 of which was spent during the referendum campaign on a wraparound advertisement on the front page of the *Metro* newspaper, which was never distributed in Northern Ireland, nor indeed had any impact, one would assume, in Northern Ireland as it is not read there. However, that was probably the biggest single item of political expenditure by a party in the history of Northern Ireland. In comparison, in the election prior to the referendum, the DUP spent around £90,000. So £300,000 on one single advert in *Metro* was a very large amount of money.

**Simon Hoare** (North Dorset) (Con): I am listening with great attention to what the hon. Gentleman is saying. He mentioned newspapers. In my edition of *The Irish News*—a publication with which I am sure he is familiar—of 14 July, he is quoted as saying,

“the decision not to back-date”—

that is, the decision of the Secretary of State—

“funding transparency to 2014 was the best decision, because it had the support of the majority of North’s parties.”

That is what the hon. Gentleman said to *The Irish News* in the middle of July this year. Either he is flip-flopping on the issue now, or he is playing fast and loose for party political reasons on a sensitive issue at a sensitive time. Which is it?

**Owen Smith:** It is very simple. When the facts change, I change my mind. I make no bones about it. When the political parties in Northern Ireland change their view about the rationale for concealing this and for leaving the date as only prospective not retrospective, I change my mind. I will explain why I changed my mind about this. The truth is that there was no political pressure from the parties in Northern Ireland for the Government to get on with introducing this legislation after 2014—I completely and freely concede that. Nor was there—as the Minister rightly points out—in the submissions made by the political parties in response to the Secretary of State’s letter of 4 January 2017, any indication that they would like it to be retrospective other than in the submission from the Alliance party. What has changed since that date is that there has been growing concern about the source of the £425,000 donation to the DUP, and about the lack of transparency around that source.

**Mr Ben Bradshaw** (Exeter) (Lab): The figure is actually £435,000, not £425,000. Will my hon. Friend also note that the official Government consultation took place in January before this unprecedented donation came to light?

**Owen Smith:** That was the point I was making. I have seen both £425,000 and £435,000. I thought I would err on the side of caution and conservatism and plump for the lower number. I think that £435,000 might be the total donation, and £10,000 was spent in Northern Ireland specifically. However, the point that my right hon. Friend makes is precisely the point that I was making. Concern has emerged over the last year, and certainly over the last six months.

**Simon Hoare:** Will the hon. Gentleman give way?

**Owen Smith:** I will give way in a moment; the hon. Gentleman has made his intervention.

**Chloe Smith:** The right hon. Member for Exeter is precisely on the point. My right hon. Friend the Secretary of State began this action in January. Can the hon. Member for Pontypridd explain why we have not received any further communication from the parties about changing their view, as he claims they have done? Did they not see that we were having a fully open process for the whole of 2017 in which they could have communicated that? They have not done that. I tell him that they have not. We have not received any such communication. There has been no change, and he is dancing on a pin.

**Owen Smith:** Let me read out to the Minister some of the responses that I have received from the political parties in Northern Ireland, and I will also read out the view of the Electoral Commission in Northern Ireland. I will start with them, as they are the only statutory consultee that the Government are meant to consult as a result of the Northern Ireland (Miscellaneous Provisions) Act 2014. They are profoundly disappointed that the Government have chosen not to backdate the donations to 2014, they welcome the transparency that is going to be introduced prospectively—

**Chloe Smith:** Unlike the hon. Gentleman.

**Owen Smith:** Not unlike the hon. Gentleman because those were my opening words to the Committee today, so the Minister really ought to listen. But the Electoral Commission is profoundly disappointed that the provision will not be retrospective, which is also my view. Ann Watt, the head of the Northern Ireland Electoral Commission, said:

“While all reportable donations and loans received from 1 July 2017 will now be published by the commission, we would also like to see the necessary legislation put in place, as soon as possible, to allow us to publish details of donations and loans received since January 2014.”

Her predecessor, Séamus Magee, who retired in 2014, said:

“The deal on party donations and loans must be part of the DUP/Conservative deal. No other explanation...Every party in Northern Ireland understood that the publication of political donations over £7,500 was to be retrospective to Jan 2014.”

I put it to the Minister that part of the reason that some of the political parties did not respond saying that they wanted it to be retrospective is that they naturally understood that that would be the case, given that that was what the legislation allowed for. When the Minister responds, I am sure she will tell us why she has arbitrarily picked the date of 1 July 2017. There is no reason that I can see, either in statute or in ministerial comments, for coming up with that date.

Let me read some of the views of the parties. Conor Murphy, a Member of the Legislative Assembly for Newry and Armagh, said on behalf of Sinn Féin:

“The British Government’s refusal to backdate new laws on political donations is aimed at covering-up so-called Brexit ‘dark money’ that was paid to the DUP”.

He also said:

“If the DUP and the British Government were serious about transparency in government then they would support the retrospective publication from January 2014 of all donations over the reportable threshold.”

Robin Swann, the leader of the Ulster Unionist party, has told me in writing today that his party would not oppose retrospective introduction of the legislation, and a similar view is now held by the Social Democratic and Labour party. In addition, the view of the Alliance party, which was clear back in January, was that it, too, wanted publication. The truth is that the views of the political parties in Northern Ireland and those of the Labour party have changed as a result of growing concern about the DUP donation.

**Simon Hoare:** For the hon. Gentleman’s interest and information, I am a Catholic Unionist who was on the remain side, so I am not necessarily particularly keen on what the money was spent on, but can I just take him back to his own words? He talks about January and

about a donation in the referendum. That quote was in *The Irish News* in the middle of July this year. He was clearly behind the curve compared with all those people who were saying from January that it should all be backdated. Why is he flip-flopping?

**Owen Smith:** I will have to live with the terrible accusation that I was behind the curve—I freely confess that to the hon. Gentleman. However, we are now up with the curve. Our view is now very clear, which is why we will oppose the statutory instrument today.

The very simple question is this: why are people concerned about this DUP money? The reason is that the money came from something called the Constitutional Research Council—a little-known, recondite, Scottish-based Unionist think-tank of sorts—which is interesting because it had never before made a political donation of any sort. In the institution's history, it has made one declarable donation. It does not have a website or accounts, and it seems pretty shady to me in lots of ways. It is one of those unincorporated associations that have been used to channel money to the Tory party in previous general elections.

There are significant doubts about the source of the money, and questions about what it was for and where it came from. Was it from overseas? Was it a legal donation? Of course, the DUP could clear all this up by telling us the exact source of the money.

**Sammy Wilson** (East Antrim) (DUP): I am amazed at the allegations that have been made by the hon. Gentleman. First, the donation was declared. Secondly, the name of the organisation was given. Thirdly, the Electoral Commission accepted the bona fides of the group that was named. Finally, the uses to which the money was put were immediately transparent, because they were laid out to the Electoral Commission. All of that satisfied the rules of the Electoral Commission. For that reason, I find it difficult to see how he describes the money as shady. All the obligations required under the law were met.

**Owen Smith:** With the greatest respect to the hon. Gentleman, I can very easily describe the money as shady. The Constitutional Research Council is not a body that has on its books access to the best part of half a million pounds' worth of resources. It is not a body that has made political donations other than one other self-declared donation of £6,500 to an hon. Member who campaigned for Brexit. It is not a body about which we have transparency—the person who is responsible for running the CRC has not said where the money has come from, and it has refused to reveal who its donors are. That may be its right under the nature of its unincorporated association, but I think it is shady. Given the suspicion that the DUP was used as a vehicle to channel money that could not be deployed elsewhere during the Brexit campaign, these are the right sort of questions that anybody who is interested in transparency in this House ought to be asking.

**Ian Paisley** (North Antrim) (DUP): Does the hon. Gentleman accept that, no matter what he proposes, the information that has already been made public voluntarily is no different to what the registered interest would be; that the transparency he seeks is already there; and that he could not ask for any more information than has already been revealed? Unless he is proposing a change—

**Mr Bradshaw:** Why not backdate it then?

**Owen Smith:** As my right hon. Friend says from a sedentary position, why not backdate it then? Why not accept the view that is now uniformly held by all other political parties in Northern Ireland save the DUP? The hon. Member for North Antrim is right that the DUP revealed—I think it was voluntary—that the Constitutional Research Council made the donation, which would be in line with the legislation. However, he does not want any more scrutiny on that money because there are serious questions about where the CRC got the money from. If it was not from Richard Cook, the man in charge of the organisation, who was it from? Can the hon. Gentleman tell us?

**Ian Paisley:** Once again, is the hon. Gentleman saying that he would change the law and get the Electoral Commission to do that with all donations to all parties? What has been put out voluntarily is more than the Electoral Commission likes to be revealed. The name of the donor and the amount of the donation are available, and the Electoral Commission has the address and other such details. The hon. Gentleman is making a specific difference between this donation and any other donation made to any other political party, including his own. He has accepted that nothing else would be revealed under the changes that he has suggested.

**Owen Smith:** In that case, I cannot understand why the hon. Gentleman or any DUP Member should object to this measure being backdated to 2014. If there is nothing to hide, everybody should simply get on with revealing it and he can agree on that point.

**Sammy Wilson:** Does the hon. Gentleman recognise that it would be impossible to backdate the details of one particular donation? All the donations to all the political parties would have to be backdated. He has already outlined why his party supported the non-revelation of where donations came from. People who donated money from 2014 in the anticipation that their name could not be revealed would find their names out in the public domain. It cannot be done for one particular donation—it would have to be done for every donation, which would remove the good faith that was there when people made donations before or since 2014.

**Owen Smith:** The hon. Gentleman is completely right that it would have to apply across the board for all political donations. Séamus Magee, formerly the head of the Northern Ireland Electoral Commission, tweeted:

“Every party in Northern Ireland understood that the publication of political donations over £7,500 was to be retrospective to Jan 2014.”

I presume that anybody who made a donation in Northern Ireland after January 2014 did so in full knowledge of the Northern Ireland (Miscellaneous Provisions) Act 2014, which made it clear that their donations would be revealed if the Secretary of State were to pass an order in this place, which he could have done in January 2014.

**Ian Paisley:** If that is the case, why did Labour members of the Northern Ireland Affairs Committee subsequently vote to block that? Why did they support not revealing that information?

**Owen Smith:** I do not know what the hon. Gentleman is referring to, but the Labour party's view is that this measure should be retrospective and should be backdated

[Owen Smith]

to 2014. We agree with the head of the Northern Ireland Electoral Commission that it is deeply disappointing that the Government are choosing not to do that. In truth, the issue is important beyond Northern Ireland, not least because the money was used to prosecute the Brexit campaign outwith Northern Ireland, and because it speaks to a broader issue of transparency and honesty in our politics.

Politics has come into malodorous disrepute in recent years, and all new generations of politicians bear the onus and have the responsibility to clean it up and bring us back into good repute. Unfortunately, this affair stinks. It stinks because the Government have chosen to come up with a date of July 2017 that deliberately excludes from publication the DUP donation—the largest donation and biggest item of political campaigning expenditure in the history of Northern Ireland politics. There must be a very simple reason for that if the Government are genuine about wanting further transparency and are honest about feeling that Northern Ireland needs to be brought into line with the rest of the UK. It will not have escaped the notice of people across the country that it is deeply ironic that the DUP, which only last week was protesting that Northern Ireland had to be absolutely in line with the rest of the UK, is unable to accept that Northern Ireland should be in line with the rest of the UK on this issue. The DUP wants special dispensation and special status for Northern Ireland on political donations.

That irony will not have escaped people. What must equally not escape people is that we need to move into a new era of openness and transparency. That is why Labour will be voting against the draft order and asking the Government to go away and think again or, if not, to justify why they have come up with the arbitrary date of July 2017, which precludes publication of important public information.

3.2 pm

**Deidre Brock** (Edinburgh North and Leith) (SNP): It is a great pleasure to serve under your chairship, Mr Hosie.

Of course one welcomes any attempt to increase democratic transparency, but I oppose the draft order. In all good conscience, I cannot support it. The principle is simple, that the cash given to parties in Northern Ireland should be laid out clearly so that any member of the public may examine it, and that should apply to the historical records as well.

I know that the position of the Secretary of State, the Minister and their Department is that it would not be fair to impose retrospective regulations, as we have heard. Those regulations, however, would not be retrospective, as the Minister said—they are in the Political Parties, Elections and Referendums Act 2000.

In 2007, when the Northern Ireland parties became subject to the same reporting regulations as parties in Scotland, Wales and England, donor confidentiality was applied with an end date of October 2010. During that period the legislation was clear that all donations would be made public when the donor anonymity period ended. There was a change of government in Whitehall in 2010 and the donor confidentiality scheme, called the prescribed period in legislation, was extended until March 2011 to allow a consultation.

In that consultation the Northern Ireland Office made it clear that retrospective publication of donor names and of those providing loans was coming. Donors to parties in Northern Ireland should have been well aware, and the parties should have informed them, that their names and donations would become known in future. They should have been aware of it from 2010, if not before, and any failure on the part of any of the parties in Northern Ireland to inform their donors of that should not be remedied by secondary legislation in this place.

The 2010 consultation found, by the way, that the public in Northern Ireland thought that Northern Ireland had moved on enough to render donor intimidation a negligible concern. Just over three quarters of people and organisations who responded, or 77%, wanted the prescribed period to end and the retrospective publication of donors' names to go ahead. Every single individual who responded who was not aligned with a political party favoured full transparency and retrospective publication.

The Government clearly disagreed, though, and sided with the 12% of respondents who had favoured continuing secrecy and no publication. That 12% included the DUP and the UUP. That information comes from the Government's response to the consultation, which also pointed out that some supporters of continued secrecy favoured retrospective publication when the system changed. The Government frankly rode roughshod over the wishes of the people, and—it seems clear to me—extended the prescribed period until 2013.

Three of every four respondents to the consultation favoured openness. Four in every five favoured retrospective publication. Yet the Government went with the DUP's suggestion of keeping it locked up tight. I prefer to give people the benefit of the doubt, but I do wonder what needed to be kept secret in 2010 that still needs to be kept secret now.

The principle of retrospective publication was endorsed again in the Northern Ireland (Miscellaneous Provisions) Act 2014, a shorter period perhaps, but that Act—which gained Royal Assent that March—had 1 January of that year as the date from which publication rules would have effect. In his statement in July, the Secretary of State said that changing that date

“is about compliance with the regulations and seeing that those making donations are able to make those determinations based on the law that is in existence”. —[*Official Report*, 3 July 2017; Vol. 626, c. 907.]

But it is clear that the law that was in existence always envisaged retrospective publication, and the 2014 Act envisaged publication for the first day of that year. In his letter of 5 July 2017 to the hon. Member for Pontypridd, the Secretary of State said that he

“did not believe it right to impose retrospective regulations”.

I can assure him that he can publish back to 2007 and not impose retrospective regulations.

The Secretary of State can also take comfort from the knowledge that the Assembly's website includes a register of interests for MLAs wherein they declare donations made to themselves and constituency organisations and other associated bodies, and that has not resulted in donor intimidation. Indeed, the leader of the DUP has an entry in it for the most recent election. I do not know whether that register has always been in the public



domain but it was in 2010, and if that publication has proven to be unproblematic I see no reason why proper publication of donations to political parties has been so contentious. Nor do I see any problem at all with retrospective publication. It is simply not good enough for us to agree to yet another date for when publication would start, a date that I should point out means there will be some retrospective publication. There is already far too much that is hidden, and far too much that has a cloak of darkness pulled over it. The applicable date should be in November 2007 when reporting to the Electoral Commission started, but I will take 1 January 2014 as a good start. It is my belief that this order should not proceed to the House without a proper and substantive vote, so I will be voting against it.

3.7 pm

**Mr Bradshaw:** It is a great pleasure to serve under your chairmanship, Mr Hosie. As some Members may know, I have spent a lot of the past few months working on trying to expose dark money in British politics, and the role it may have played in the past and may be playing now. I am delighted that those on my own Front Bench and indeed those in the Scottish National party will vote against the order and I would like to explain why they have for my full support.

My hon. Friend the Member for Pontypridd has already given a comprehensive outline of some of the background to the main donation that is the subject of concern, I hope, to this Committee. What he omitted to mention is that as well as the £282,000 spent on adverts in the *Metro* newspapers on the mainland of the United Kingdom in the referendum, £32,000 was also spent with the Canadian data company AggregateIQ, which has been linked to Donald Trump's billionaire backer Robert Mercer, and the data company Cambridge Analytica, which is being investigated by our Information Commissioner and which has been forced to hand over emails under subpoena from the special counsel investigation under Robert Mueller looking into Russian subversion in the United States. This is a very serious matter that I hope would concern all hon. Members present.

My hon. Friend also referred to the original source of this donation: the Constitutional Research Council and its one-man-band owner or runner, Mr Cook. The Electoral Commission in Northern Ireland fined Mr Cook and his organisation £6,000 in August this year for "failing to comply with electoral law."

It was one of the biggest fines ever imposed by the Electoral Commission but because of the current rules which the Government is not backdating with today's reform, the Electoral Commission is not allowed to say why that fine was imposed or which law was broken. That is a completely unacceptable state of affairs. The only conclusion that any reasonable person can draw is that the DUP was used, with its knowledge, by the CRC to funnel money to the leave campaign in a way that to this day keeps the source of that money secret. By refusing to make this provision retrospective, the Government are effectively complicit in covering that up. Whatever your views on Brexit, Mr Hosie, the people of Northern Ireland and the UK as a whole deserve to have confidence in the transparency and integrity of our electoral and party funding system.

As we have already heard, the political parties in Northern Ireland—with the exception of the DUP—civil society in Northern Ireland, and the Electoral Commission all believe that transparency should be made retrospective to 2014, and that was their original understanding.

**Ian Paisley:** I am interested in right hon. Gentleman's points. I wonder whether in his inquiry and examination today he will let us know whether he has done any investigation into the £13 million that Sinn Féin has deployed in elections in Northern Ireland.

**Mr Bradshaw:** My main concern in all of this is to try to uncover the dark money that played a role in the referendum campaign. If the hon. Gentleman has any evidence that he would like to send me in that respect, I would be grateful to receive it. If he wants that to be made public and transparent as well, let us backdate this to 2014. I do not understand why, if the DUP has nothing to hide, it is being so defensive about this. If the Government have nothing to hide, why not have full transparency back to 2014?

**Ian Paisley rose—**

**Mr Bradshaw:** The hon. Gentleman is not even a member of the Committee, so I will make progress if he does not mind. Naomi Long, the leader of the Alliance party in Northern Ireland and the politician who secured this change to the law, with the support at the time of all the Northern Ireland parties, has said:

"The successful amendment ensured that all donations dating back to the commencement date of the legislation (January 2014) can be published once the exemption is lifted.

All the parties have been advised by the Electoral Commission that this is the case and guidance was issued to ensure that all donors from that date would be advised that any anonymity would be merely temporary."

Again, that was the understanding of the parties at the time, so why have the Government changed their mind? Why would the independent and highly respected Electoral Commission set its face so strongly against what the Government are trying to do today? The only conclusion I can reach is that the Commission knows something about that period between 2014 and 2017 that it believes to be strongly in the public interest to disclose but is prevented from doing so.

**Margaret Beckett (Derby South) (Lab):** My right hon. Friend refers to the amendment moved by Naomi Long. As I understand it, that amendment was subsequently supported by the Government and was adjoined by the then Secretary of State. The hon. Member for North Dorset accused my hon. Friend the Member for Pontypridd of having dared to change his mind and asked him why. I wonder if the Government can explain why they have changed theirs.

**Mr Bradshaw:** My right hon. Friend is absolutely right. I hope the Minister will explain why the Government have changed their mind when she responds to the debate.

If the Government will not change their mind again, to their original position, and backdate transparency to 2014, I invite the Minister to publish the full details of this unprecedented £435,000 donation, regardless of the scope of the measure, so that the public interest and

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confidence in the referendum result can be protected. Will she also explain the reasons for the fine imposed by the Electoral Commission on the CRC, and exactly which law was broken? I would be amazed if she were not aware of that and did not know. It is her job as a Northern Ireland Minister to find out.

**Chloe Smith:** I am afraid I must stop the right hon. Gentleman on this line of argument now. I do not think he has been listening or has understood the gravity of the situation. There is a criminal offence prohibiting disclosure of details. I do not have those details; the Electoral Commission is not permitted to pass them to me. I cannot answer his question. He appears to be inciting me to do something very foolish that, even if it were not foolish, I cannot do. Perhaps he could improve the quality of his arguments.

**Mr Bradshaw:** The simple answer is to backdate this measure to 2014. The Minister would be able to do whatever she likes then and we would have full transparency, which she claims she wants.

Will the Minister also explain why she is ignoring the representations of the Electoral Commission, of civil society in Northern Ireland and of all the political parties except the DUP? Has she satisfied herself that the donation to the DUP for the Brexit campaign was from a permissible donor, and has she satisfied herself that it was legally sourced? I am not asking to her publish it without the order, but has she satisfied herself of that?

**Chloe Smith:** I do not know. I cannot do it.

**Mr Bradshaw:** It is her job. If not, what is she doing about it? [Interruption.] The Minister should listen to me. Has she asked the relevant ministerial colleagues to satisfy themselves of that, and has she asked them to investigate the allegations of illegal collusion involving the DUP, Vote Leave, Leave.EU, BeLeave, Labour Leave and Veterans for Britain? [Interruption.]

**Jess Phillips** (Birmingham, Yardley) (Lab): It's not funny.

**Mr Bradshaw:** It is not a laughing matter; it is a very serious issue about public political transparency, honesty and tackling corruption.

**Chloe Smith:** For the sake of the record, I repeat that I cannot do the things that the right hon. Gentleman is asking of me, and nor can other Ministers. We do not have access to that information by matter of law. It is a criminal offence to share the details he is asking for. It is not a matter for jollity in the Committee that he is asking frankly asinine questions about something that I cannot do.

**Mr Bradshaw:** The Minister is telling us that she is a helpless victim in this whole affair. There is nothing to prevent her from writing to the Electoral Commission, asking it to investigate the matters that I have just asked to have investigate. We have done it, and other people have done it too. What is stopping her? She is hiding behind secrecy to protect the true source of the donation, and it is totally unacceptable.

If she cannot answer these questions satisfactorily, the only conclusion that anyone can draw is that the Government's sole priority is to protect their deal with the DUP, rather than honour the letter and the spirit of the legislation, and do what is right and in the public interest. I hope the Committee rejects this shabby little order.

3.16 pm

**Sammy Wilson:** Thank you, Mr Hosie, for giving me the opportunity to speak, even though I know that some Committee members may object to the fact that I am not a member of the Committee. I do not know whether they are questioning my right to speak, but this issue relates to Northern Ireland. There have been queries as to whether an intervention should be accepted from both my hon. Friend the Member for North Antrim (Ian Paisley) and myself, but thank you for the opportunity to speak.

I am surprised by the reaction of the Labour party to this measure, for a number of reasons. It has been accepted for a long time, and indeed was accepted by the last Labour Government, that there were very good reasons why political donations in Northern Ireland, and the source of those donations, were not made public. That was because of the security situation, and the fear people had that being identified with a particular political party would make them a target. Thankfully, that issue is not as strong today, but nevertheless there remain some reservations in people's minds, because of the ongoing terrorist activity that takes place in Northern Ireland. However, the DUP, along with other parties, supported the original measures to introduce transparency in political donations.

All the political parties, apart from the Alliance party— even when the controversy about the money for Brexit was still going on—accepted the date which is in today's legislation. That is the first point. I know that the shadow spokesman may have had quotes from other parties about this issue, but since the consultation took place and the terms of the legislation were known, no political party has made the case to the Government to have the date changed. There have been complaints, and strangely enough they have all been about one particular donation—not about the general principle of the start date when the information should be made public.

**Owen Smith:** Can the hon. Gentleman confirm—because the chronology is important—that the consultation to which he refers, and to which the parties gave their responses, was in January 2017, and the information divulged by his party, that it was the Constitutional Research Council that gave it the £425,000 or £435,000, came only in February after the consultation had closed?

**Sammy Wilson:** And since then there has been ample opportunity. Of course the information about the donation was known before January 2017.

**Owen Smith:** Not its source, though.

**Sammy Wilson:** I will come to the source in a moment or two. I think there has been an intervention already highlighting the answer to that. Since then there have been no representations to the Government from political

parties that the date should be changed, because of course the date that was set was agreed by all the parties except the Alliance party, on the understanding that people who made donations up until that date knew that the information would not be revealed.

Let us come to the particular issue. I take issue with the Labour party for a number of reasons. First, it seems there is a fixation on the money spent on the successful campaign to get the United Kingdom to leave the EU. Perhaps the reaction from the Labour party today is more a reflection of its animosity towards the decision made by the people of the UK to leave the EU than it is about the source of the donated money.

**Margaret Beckett:** I take the hon. Gentleman's point, of course, but given that, as I understand it, the people of Northern Ireland voted to remain, does he wish that some of the money had been spent there?

**Sammy Wilson:** We did spend money in Northern Ireland on the campaign and of course it was a UK-wide campaign, not a Northern Ireland one, as the right hon. Lady knows well. We took part in the UK-wide referendum and many of our members spoke on the issue at meetings across the United Kingdom, not just in Northern Ireland. We took our place in the UK-wide campaign.

**Owen Smith** *rose*—

**Sammy Wilson:** Let me just finish my point. I suspect that some of this is directed more at the views of those in the Labour party who wish the referendum result had not been as it was, who are doing their best to overturn that result, and who have taken umbrage at those parties that successfully campaigned to leave the EU.

**The Chair:** Order.

**Sammy Wilson:** I shall leave that point right now, Mr Hosie.

**Owen Smith:** Will the hon. Gentleman give way?

**Sammy Wilson:** Only if I am not going to be led down a route that will get me in trouble with the Chairman.

**Owen Smith:** I am grateful.

**The Chair:** Order. Face the Chair, please, so everyone can hear.

**Owen Smith:** Thank you, Mr Hosie. The hon. Gentleman is very generous with his time—as I was, of course, in accepting interventions during my speech. I just want to place it on the record that our approach has nothing to do with the Labour party's views about Brexit; it is entirely to do with our views about transparency or otherwise. In that context, I wonder whether the hon. Gentleman will tell us who it was who asked the DUP to spend that money not in Northern Ireland but in GB?

**Sammy Wilson:** Let me come to the point on transparency. There are certain rules that are laid down by the Electoral Commission, and they were met entirely by the party. The first rule is about where the donation came from. That was declared. The second rule is about how much. That was fully declared. The third is about

what it was spent on. As has been outlined in the debate, what it was spent on was completely transparent; so all the requirements for transparency were met. They satisfied the Electoral Commission and have been registered with it. Indeed, the reason we are having the debate is that the money, its source and the use to which it was put were revealed.

**Mr Bradshaw:** In that case, why were they fined?

**The Chair:** Order. We are now beyond the scope of the order. Let us focus on that.

**Sammy Wilson:** With your instructions, Mr Hosie, I will move on to where we are with this debate. Despite the fact that everything was known—we have already had it outlined in the Committee today—the Opposition spokesman still supported, right up until the summer of this year, the publication date, despite the controversy that there was and despite the allegations that have been made by Sinn Féin regarding the money.

**Alex Burghart** (Brentwood and Ongar) (Con): The hon. Gentleman is coming to the crux of the argument as I see it, which is that there was full transparency. Given that there was and given that in January all political parties apart from the Alliance party and the Labour party agreed that it would be wrong to backdate by three years, to now transform that policy to say that things should be backdated by three years is to again put at risk some people in Northern Ireland who may have given donations in the years between 2014 and now. It is political point scoring and it is not taking account of the political—*[Interruption.]* It is not about protecting people in Northern Ireland who may be in danger if this delegated legislation does not go through. The Opposition will be culpable in anything that happens to those donors past this point.

**Sammy Wilson:** I made the point in an intervention that there was an expectation that some people who had made donations post-2014 would not be put into the public domain. There is a real issue around it.

**Margaret Beckett:** On the point that the hon. Gentleman is making and the point made by the hon. Member for Brentwood and Ongar, as I understand it the Electoral Commission wrote to every political party, when the Act that was the background to this was getting Royal Assent, informing them of the future intention to publish donations from January 2014, so how can this come as a shock and put people at risk? That is a totally spurious point.

**Sammy Wilson:** It was not a black and white issue because the Electoral Commission did not say that it would publish. It said that had it been given authority by the Secretary of State, it would have published. It was not as black and white as the right hon. Lady suggests.

I have one last point. We are talking about transparency here. There is one glaring omission in the legislation, which originated with the very party that is now complaining about lack of transparency, lack of accountability and the need to clean up political donations, and that is the fact that parties in Northern Ireland—there is only one

[Sammy Wilson]

party affected by this—can receive foreign donations without having to reveal them. Sinn Féin received millions of pounds. Not hundreds of pounds, not thousands of pounds, not hundreds of thousands of pounds, but millions of pounds through foreign donations brought through the Irish Republic—[*Interruption.*] It was given to them by the Labour Government when special pleading was made by Sinn Féin that they had brought in so much money from foreign sources. I do not know whether it was Libya, America or some other state, but it was brought in by the Irish Republic and made exempt.

If the Labour Members really were concerned about transparency, accountability and cleaning up political donations in Northern Ireland, at least some reference, even a line of reference, might have been made by the shadow spokesman. I suspect that the real reason is that they are still happy for Sinn Féin, which has a special association with the Labour party leader, to have that lack of transparency: that cloak behind which they can bring millions of pounds into Northern Ireland and avoid having accountability.

**Mr Bradshaw:** Does the hon. Gentleman have any concern at all that the CRC, who made the donation to his party, has been fined, and the fine was made public in August?

**Sammy Wilson:** Again, I do not know about the fine or the source or the reason for the fine. If they were fined, that shows that there was transparency about this. That is the point I have been trying to make very clearly. It was known how the money was spent. If the rules were broken, then sanctions were imposed on it. I would have thought that that undermines the right hon. Gentleman's argument about some dark cloak here, dark money and lack of accountability and transparency. Otherwise the Electoral Commission would not have been in a position to impose a fine, because it would not have known, because it was under a cloak of darkness. I think the right hon. Gentleman has to make his mind up. The fine actually makes the point for me.

To close, I believe that the terms of the order reflect—I will give way in a moment, because I would like to hear whether the Labour Party still supports the exemption for political donations from foreign sources exclusively. Do Labour Members regard it as only affecting Sinn Féin in Northern Ireland, or would they like to see further legislation to stop that inflow of funds, which is totally hidden and used by Sinn Féin and is one of the reasons why they can spend so much on elections, because they do have sources of funding which other parties in the United Kingdom cannot obtain?

**Owen Smith:** We believe that there should be transparency and we believe that there should not be foreign moneys coming into our politics. That is very clear. In that context, I wonder if the hon. Gentleman can confirm whether he knows definitively whether this money from the CRC came from foreign sources or definitively came from within the UK, and if he does not know that, does he not think the DUP should have found that out?

**Sammy Wilson:** If it came from foreign sources, the Electoral Commission would have taken the requisite legal steps to fine the party and to fine other sources; otherwise, the Electoral Commission would have an interest in that.

In closing, this debate has been agreed by the parties. It was not contested by the Labour Party, right up until the very latest time. It is a debate which I believe safeguards those who give donations in good faith. It is a debate which, if moved, would not move this issue about the donation around the Brexit campaign one inch further, because no further information would be given. For those reasons, I hope that the Committee will support the order.

3.33 pm

**Simon Hoare:** It is a pleasure to serve under your chairmanship, Mr Hosie. It was all going so well: my hon. Friend the Minister set out very clearly, with characteristic calm, the position around which all the parties in Northern Ireland had levitated and thought, based on common sense, was the right approach. Everyone in this place, whether we are speaking on the Floor of the House or in Committee, always need to remember—and it is a sadness that we have to remember—that when we are dealing with matters in Northern Ireland and about Northern Irish politics, the additional calls for sensitivity and diplomacy in our language are ever heightened.

It would be marvellous—I am sure the whole Committee would rejoice, as I would—if we could arrive at a time where we could deal with issues of politics in Northern Ireland in exactly the same way as we deal with them in Dorset or in your part of Scotland, Mr Hosie, or in Norwich or any other constituency. As it is, we are not in that position yet.

It has always been understood by shadow Ministers, of whichever stripe, that they have a special responsibility to try, while making a political point, to straddle the divide and make sure that those sensitivities are respected. It is unfortunate that the hon. Member for Pontypridd, who usually fulfils that role with such gusto and class, has singularly failed to do so today. I asked him a direct question on two occasions, which he neglected to answer. It was either a flip-flop or politicisation, because the hon. Gentleman's delineation of the chronology does not bear any scrutiny.

I took note of what the hon. Gentleman said. First, he referred to January, and then he moved to February, where the nature of the donation made to the Democratic Unionists became apparent. That is all frightfully interesting, save for the fact that, when he got to the middle of July, when all this brouhaha was supposedly at its height, the hon. Gentleman was still referring to the Secretary of State's decision as the best decision. If only the hon. Gentleman had left it at that point, I think he would have commanded the support of the Committee.

As I said in my second interjection on the hon. Gentleman, I rise in this debate as a Catholic Unionist who was on the remain side. It would seem to me that this money, wherever it came from, was not particularly wisely spent. I do not want to go down that particular road, but if I heard correctly it was spent on a wraparound on a free newspaper handed out to commuters in metropolitan areas that predominantly voted to remain part of the European Union, so the mastering of the dark arts of persuasion to vote leave appears to have backfired.

**Ian Paisley:** I appreciate the point that the hon. Gentleman is making about transparency. However, is it his understanding, as it is mine, that if the Labour

party, along with the Scottish National party, votes against this instrument, it will vote against transparency and publication in some cases?

**Simon Hoare:** The hon. Gentleman makes a strong and pertinent point.

**Jess Phillips:** Does the hon. Gentleman honestly think it is in bad faith that the Labour party wishes to see transparency at a time when, in our politics, global powers trying to tinker with our democracy are rife across the world? Does he honestly think the Labour party sits here to try to do something other than see the facts and find the truth?

**Simon Hoare:** I have to say to the hon. Lady, who I know has—

**Jess Phillips:** An independent mind.

**Simon Hoare:** Self-praise is no recommendation, but I was going to say that she has impeccable credentials. Unfortunately—and I suggest that in a moment of private honesty the hon. Lady might concur with this—this country is faced with two Labour parties. As she will be aware, we face a democratically accountable, legally abiding Labour party, and a rather mysteriously funded, trade union, Momentum-inspired—

**Margaret Beckett** *rose*—

**The Chair:** Order. We are going rather wide. I am allowing Members to use examples to make their case, but I think we are going a little too wide, Mr Hoare.

**Margaret Beckett** *rose*—

**Simon Hoare:** I take your guidance, Mr Hosie, and I hope that the right hon. Lady, the former deputy leader of the Labour party—[HON. MEMBERS: “Former leader.”] She must forgive me. I give way to the former leader of the Labour party.

**Margaret Beckett:** I was wondering, in the context of why there may be differences within political parties, whether the hon. Gentleman can explain why the present Secretary of State takes a different point of view on this matter from his predecessor, the right hon. Member for Chipping Barnet (Theresa Villiers).

**Simon Hoare:** That, I suggest to the right hon. Lady, is for the Secretary of State to answer for himself, but I think my hon. Friend the Minister has set out very clearly a point on which we can all coalesce, which is that this was “the best decision”. Those are not my words, but the words of the right hon. Lady’s friend the shadow Secretary of State. He referred to it not as an okay decision or a reasonably good decision, or as one that in the round and on balance had something to merit consideration, but as “the best decision”. That assessment was made by the shadow Secretary of State and by the Secretary of State. I presume that they came to their views under separate imperatives, but they arrived at the same destination, as reported in *The Irish News* in the middle of July.

**Alex Burghart:** Does my hon. Friend agree that everyone at that time thought it was the best decision? They understood—notwithstanding the comments by the right hon. Member for Derby South, for whom I have genuine respect, and my respect for what her Government did to bring about peace in Northern Ireland when she served in the Cabinet—that there were individuals who might give money, unaware that the figures involved and their names might be disclosed at a later date and that that might put them in danger. Notwithstanding the fact that political parties had been informed, the individuals themselves might not know and might subsequently find themselves in danger, and that is what we are at risk of doing now.

**Simon Hoare:** My hon. Friend hits the nail on the head. The first duty of the Government, and I think the first duty of all of us within that sensitive arena of Northern Ireland, is that we cannot just default—as handy as it might be for us to do so—to the established views of political parties. We need to have a duty of care to those individuals who thought they were operating under a certain set of circumstances at a particular time, and I think it would be entirely unjust and deleterious to having confidence in our democratic processes to arbitrarily change the position from that which they believed they were working under. My hon. Friend makes that point entirely.

**Margaret Beckett:** I do not want to detain the Committee and I promise that this will be my last observation. Is not the hon. Gentleman suggesting that he has a rather low opinion of the parties in Northern Ireland if he thinks that they would happily take money from somebody, which would be publishable, and not point out to them that that might come into the public domain? It suggests a lack of care on their part, if that were the case, which I find it hard to believe.

**Simon Hoare:** If the right hon. Lady is 100% confident that that would take place in every circumstance, of course she has a point. However, I have to say to her that I think that we all have to admit—sometimes we find it quite hard to do so—that we are frail human beings, and I just do not believe that in every circumstance somebody would be provided with that guidance or with that little bit of, “Well, this may change in due course”.

I go back to the point that it would be absolutely splendid, would it not, if political discourse in Northern Ireland could be held as robustly as it is on the mainland—I think we can all agree on that—but we are not at that position yet? And the jiggery-pokery being promoted by Opposition parties moves us a little further from achieving that position.

I will conclude by addressing the right hon. Member for Exeter. He is a distinguished Member of this House, but he did no help at all to advancing his position or this debate by the “nudge nudge, wink wink, reds under the bed” approach to doing politics that he has deployed this afternoon. I say to the Committee, in all seriousness, that we should listen with enormous care to what the Minister has said from the Dispatch Box. We are all alert.

**Mr Bradshaw:** I did not mention reds under the bed; I do not know where the hon. Gentleman got that idea from. Surely the best antidote to the concerns he

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has just expressed about people using “nudge nudge, wink wink” or innuendo to make allegations is transparency.

**Simon Hoare:** None of us will speak against the merits of transparency, but the point that the right hon. Gentleman has made is based on the falsest of foundations, because he is, in effect, deploying the “nudge nudge, wink wink, reds under the bed” approach to politics by suggesting, “I think there may be something here that is being hidden, because we are not in a hugely or wholly transparent system, and therefore let us make some assumptions”. We may be able to make some basic assumptions when it comes to parish-pump politics, but I suggest to the right hon. Gentleman, with the greatest of respect given his seniority and standing in this place, that that approach to the politics in Northern Ireland will not be conducive to a sensible solution in which we can all have a certain degree of faith.

**Tonia Antoniazzi (Gower) (Lab):** The hon. Gentleman talks about transparency and the sensitivities of Northern Ireland. Does he agree that, by looking to the future and taking key lessons from the past, the democracy of the whole of the UK would be best served by backdating the donations to January 2014 and by providing parity for everyone?

**Simon Hoare:** No, for exactly the same reason that my hon. Friend the Member for Brentwood and Ongar set out, with which I concur.

I will not detain the Committee any further. We should listen to what the Minister has said. She and my right hon. Friend the Secretary of State are as closely engaged as possible with these issues and this process. I have no particular beef or card to carry about what the money was spent on, whatever that may have been. My hon. Friend the Minister has set out a clear course of action that is helpful and that had the support of the shadow Secretary of State and of all the major parties in Northern Ireland. That is good enough for me.

3.46 pm

**Chloe Smith:** I thank my hon. Friend the Member for North Dorset for his comments and support. I will deal with a few of the remarks made in the debate and then, in wrapping up, I will emphasise why the Committee should vote for this order.

In chronological order, I will begin with the arguments of the hon. Member for Pontypridd. Frankly, I find it amazing that he is opposing transparency. He will no doubt say that his first words were to support transparency, but his second words were to say that he would vote against it. That is a shabby state of affairs. Our words should echo our deeds. The Government are committed to transparency, which is why we have introduced this order; the parties are committed to transparency; the public are committed to transparency; and the Electoral Commission is committed to transparency. He cannot bring himself to vote for it. He is not committed to transparency.

**Owen Smith:** Will the Minister give way?

**Chloe Smith:** Yes, perhaps the hon. Gentleman will say that he is committed to transparency.

**Owen Smith:** I am, as I said at the beginning of my remarks. I hope the Minister will explain to the Committee why she is not in favour of transparency in line with the original legislation that her Government passed in 2014. That offered more transparency than is currently on offer—Labour wants more transparency, not less. All she needs to do is tell the Committee that she will take this measure away, rethink it in the light of changed views in Northern Ireland and in this House, and adopt what was originally intended by her Government, backdated to 2014.

**Chloe Smith:** That was a lovely long intervention, so that is the hon. Gentleman’s lot—I will not take another one from him. I will explain exactly those points.

I remind the House that the Conservative manifesto for the 2017 election in Northern Ireland pledged to increase transparency. We are delivering on that. The Labour party is choosing not to. That is amazing.

We wrote to the parties in January. This year, Northern Ireland parties have engaged in two elections and in sustained political talks, so to offer the position in January, to seek views and then to take action from July is a reasonable approach. My right hon. Friend the Secretary of State has already explained that he thinks that it is not right or fair to impose retrospective regulations or conditions on people who donated in good faith with the rules as they were set at the time.

**Ian Paisley:** Will the Minister confirm that this vote is take it or leave it—that if the Government lose, there will be no publication?

**Chloe Smith:** Indeed, that is the case. If Members were to vote against tonight’s order, they would vote against transparency. It is as simple as that. That is what we are dealing with here. Let us not forget what we have been through to get here.

**Jess Phillips:** I would like to remind the Minister, when she uses words such as that we are “voting against transparency”, of how words matter. Actually, I ask the Minister to think about how people get treated because of the poor words used by people in this building, or used to represent people in this building, in newspapers. I ask to her to consider what seems like a total pantomime: saying that asking for more transparency is to vote against transparency. The Minister is probably a bit better than that.

**Chloe Smith:** I have great respect for the hon. Lady and I have great and serious respect for her tone of voice. However, she has deployed it unnecessarily twice in this Committee. She is trying to say something that her vote will not say. She needs to hear her own advice. She needs to take her own point: that words and actions matter. In fact, I think that actions probably matter the most, which is why Conservative Members will vote for the order.

**Nic Dakin (Scunthorpe) (Lab):** Will the Minister give way?

**Chloe Smith:** I am afraid that I will not take an intervention from the Opposition Whip. I need to move on and respond to some of the arguments that have been made.

As I mentioned briefly, there has been a history of intimidation in this particular context. Confidentiality has been important up to this point. I find it astounding that the Opposition are playing fast and loose—words that have already been used in this Committee—perhaps with that delicate history, I do not know, but certainly fast and loose with the sensitivity of this time, when we need to get politicians back around the table. This is not about playing politics; this should be about getting on with something that has been important to Parliament. I am afraid to say that the party of the hon. Member for Pontypridd is inconsistent, rather incoherent and perhaps even incredible.

**Mr Simon Clarke** (Middlesbrough South and East Cleveland) (Con) *rose*—

**Chloe Smith:** Perhaps my hon. Friend will explain a little more about that.

**Mr Clarke:** We are dancing on the head of a pin. I feel that the argument has been driven by motives other than those on the face of the order. The speech by the right hon. Member for Exeter goes to the point on that. It is about trying in some way to stop or to undermine Brexit rather than being about the real sensitivities and the political history of the most troubled part of our country. Does the Minister agree that the tone that has been struck is almost wholly unhelpful?

**Chloe Smith:** I agree with my hon. Friend and I think that it is rather a shame that we have had to have this discussion. Let us take the point of Brexit: in the time that we have been working hard to deliver transparency, since January 2014, the hon. Member for Pontypridd and his party have taken seven different positions on Brexit alone. We need to do a little better than that.

**Deidre Brock:** Will the Minister give way?

**Chloe Smith:** No, I will take no more interventions as I need to make progress.

**Deidre Brock:** Please.

**Chloe Smith:** I am just about to come to the hon. Lady's comments that—I thought she might like it if I did that. She said that the 2014 Act obliged us to publish from then, but I am afraid that it does not. It is an option and not a requirement under that 2014 legislation. She is also of the view that we should not leave anything in the dark, that we should not delay and that we should not set yet another date. Again, why is she is voting against today's transparency? It is a very unwise thing to do. It would leave donations now in the dark. It would leave us without a date and with no transparency.

**Deidre Brock:** Will the Minister explain why MLAs currently declare their donations on their register of interests on the Northern Ireland Assembly website? She is attempting to block publication of donations, which all parties accept is likely to happen, as she has generally recognised since at least 1 January 2014.

**Chloe Smith:** I will put this quite bluntly: the Government propose transparency; those who vote against the order are reducing the amount of transparency that will stand on the statute. That is the fact.

**Nic Dakin:** Will the Minister give way?

**Chloe Smith:** No, I will not.

Let me deal with the point from the right hon. Member for Exeter. As I said when I intervened on him, I cannot confirm any of his questions; I explained why, and he should know why. He still seems to want me, for example, to have written to the Electoral Commission, and to have asked it to commit an offence by replying to such a letter. He says he has done so; I really hope he has not, because to do so before passing a draft order such as this is to incite the commission to commit a criminal offence. That would be very unwise indeed.

**Mr Bradshaw:** Will the Minister give way?

**Chloe Smith:** I will not; we had time to deal with this earlier.

**Mr Bradshaw:** On a point of order, Mr Hosie. The Minister is specifically referring to something I said in my speech. Would it not be courteous of her, in your view, to give way on that specific point?

**The Chair:** It would be courteous, but she is not required to.

**Chloe Smith:** If the right hon. Gentleman can do better than he did the first time, I will be happy to hear it.

**Mr Bradshaw:** Why is the Minister ignoring the advice of the Electoral Commission on this matter?

**Chloe Smith:** The right hon. Gentleman allows me to move on to my next, rather important point.

**Owen Smith:** What is the answer?

**Chloe Smith:** The answer is that we are a responsible Government who are introducing the draft order on transparency, and while we have no intention of providing for the publication of pre-2017 donations, we intend to work with the Electoral Commission to review the operation of the broader framework for donations and loans in Northern Ireland when these transparency arrangements have bedded in. That is rather important, because it reminds us that what we have today is the beginning of obtaining an important amount of data; from today, we will be able to better see the full situation.

On that, I turn briefly to the comments from the hon. Member for East Antrim, although he is not a voting member of the Committee. I welcome his affirmation that parties wants to move to full transparency. He also reminded us that only one party proposed backdating, and I reiterate that we have not received any communications from parties indicating that their positions have changed since January.

[Chloe Smith]

I also say to the hon. Gentleman that I understand his argument regarding Irish donations. The draft order will provide transparency and will be the beginning of our having some valuable data. When that transparency has bedded in and there is a fuller understanding of how Northern Irish parties are funded, my officials and I intend to work with the Electoral Commission to look at other aspects of the operation of the donation and loan systems in Northern Ireland, to review whether there might be a case for further reforms.

The Government welcome the Electoral Commission's support for the draft order. We think we should get on with it; to delay will lead to even greater secrecy. Those Members who vote against the draft order are voting to delay transparency and to avoid the normalisation of Northern Ireland's politics, and they are voting against the ability of anybody to hold politicians to account. Funnily enough, we are talking today about the standards of politicians and the clarity of our conduct. Our votes should mirror our views. If we believe in having transparency henceforth, let us vote for it.

*Question put.*

*The Committee divided: Ayes 9, Noes 8.*

**Division No. 1]**

**AYES**

Adams, Nigel	Hoare, Simon
Burghart, Alex	Morris, David
Clarke, Mr Simon	Smith, Chloe
Double, Steve	Tracey, Craig
Foster, Kevin	

**NOES**

Antoniazzi, Tonia	Dakin, Nic
Beckett, rh Margaret	Phillips, Jess
Bradshaw, rh Mr Ben	Pound, Stephen
Brock, Deidre	Smith, Owen

*Question accordingly agreed to.*

*Resolved,*

That the Committee has considered the draft Transparency of Donations and Loans etc. (Northern Ireland Political Parties) Order 2018.

3.59 pm

*Committee rose.*